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GENERAL

FOREIGN MINISTRY HOLDS WEEKLY NEWS BRIEFING

Announces Honecker Visit

OW270838 Beijing XINHUA in English 0813 GMT 27 Aug 86

[Text] Beijing, August 27 (XINHUA) -- Erich Honecker, general secretary of the Central Committee of the Socialist Unity Party of Germany and chairman of the Council of State of the German Democratic Republic, will pay an official goodwill visit to China in the second half of October at the invitation of General Secretary Hu Yaobang of the Central Committee of the Chinese Communist Party and President Li Xiannian of the People's Republic of China. This was announced by a Foreign Ministry spokesman here this afternoon at the weekly news briefing.

Nicaragua's Ortega To Visit

OW270846 Beijing XINHUA in English 0814 GMT 27 Aug 86

[Text] Beijing, August 27 (XINHUA) -- Daniel Ortega, president of the Republic of Nicaragua, will pay a visit to China from September 11 to 14 this year at the invitation of Chinese President Li Xiannian. This was announced by a spokesman of the Chinese Foreign Ministry at the weekly news briefing here today.

China and Nicaragua established diplomatic relations in December 1985. "From then on, relations between the two countries have ushered in a new period of development," the spokesman said. "The friendly relations and cooperation between the two countries have expanded gradually in various fields."

He said the forthcoming visit to China by President Ortega will surely make important contributions to the further development of the relations between China and Nicaragua.

Sihanouk-Led Delegation Invited

OW271002 Beijing XINHUA in English 0934 GMT 27 Aug 86

[Text] Beijing, August 27 (XINHUA) -- A delegation of Democratic Kampuchea will pay an official goodwill visit to China from September 6 to 10 at the invitation of the Chinese Government. Samdech Norodom Sihanouk, chairman of Democratic Kampuchea, is the chairman of the delegation, and Prime Minister Son Sann of the Coalition Government of Democratic Kampuchea and vice-chairman Kieu Samphan of Democratic Kampuchea in charge of foreign affairs are its vice-chairmen. This was announced by a spokesman of the Chinese Foreign Ministry here this afternoon at the weekly news briefing.

CSSR Vice Premier To Visit

OW271016 Beijing XINHUA in English 0946 GMT 27 Aug 86

[Text] Beijing, August 27 (XINHUA) -- Rudolf Rohlicek, vice-premier of the Government of Czechoslovak Socialist Republic, will pay an official visit to China in the first half of September at the invitation of Vice-Premier Li Peng, announced a Foreign Ministry spokesman at the weekly news briefing here today.

Tanzanian Official Expected

OW271029 Beijing XINHUA in English 0950 GMT 27 Aug 86

[Text] Beijing, August 27 (XINHUA) -- Zanzibari Chief Minister Seif Sharif Hamad of the United Republic of Tanzania will pay an official goodwill visit to China from September 5 to 10 at the invitation of Chinese Vice-Premier Tian Jiyun. This was announced by a Foreign Ministry spokesman here this afternoon at the weekly news briefing.

XINHUA ON CHERNOBYL'S INFLUENCE ON ENERGY POLICY

OW261647 Beijing XINHUA in English 1350 GMT 26 Aug 86

["Round-up: Chernobyl's Influence on European Nuclear Energy Policy" -- XINHUA headline]

[Text] Bonn, August 25 (XINHUA) -- While the Soviet Chernobyl nuclear accident provoked great concern among Europeans about the safety of nuclear energy, it has yet to really change the direction of European nuclear energy development.

The April 26 accident at the Chernobyl nuclear power station, 130 kilometers north of Kiev, the capital of Ukraine, killed 31 people and injured more than 300. About 135,000 people were evacuated from a 30-kilometer zone around the Chernobyl station. Direct losses from the disaster are estimated at about 2.9 billion U.S. dollars.

Three months have passed since the Soviet disaster, but it is still an important topic among European politicians and press. It should be pointed out that the accident did indeed evoke great immediate concern among Europeans, but its influence on energy policy is not as great as one might have expected.

Federal German newspaper "HANDELSBLATT" in a recent article summed up the developments of nuclear power plant build-up in European countries and the Soviet nuclear disaster's effects on them. It said there have been anti-nuclear energy demonstrations in Federal Germany since the April 26 nuclear catastrophe, the opposition demanding a 10-year ban on the construction of new nuclear power plants in the country.

The newspaper said European countries, except for Federal Germany, seemed to keep cool on the nuclear energy issue. Most countries did not discuss the issue seriously after the Soviet accident. France is planning to raise nuclear-generated electricity to 80 percent of the nation's total power output by the 1990s. Sweden is not planning to close its nuclear power plants before 2010.

Obviously the peaceful use of nuclear resources will not be reversed in Europe due to the Soviet accident. Even in Federal Germany, although the anti-nuclear energy demonstrations made a show of strength, not a single nuclear power station has been closed and the five new plants under construction have not been suspended. Now, Federal German nuclear power plants have a generating capacity of 17,00 megawatts, which will be increased by 5,300 megawatts in 1990 when the five new plants are completed.

Why haven't European countries suspended their use of nuclear energy?

Because they know that nuclear energy cannot be replaced for a long time in the future. If nuclear power plants are closed down now, economic development will suffer from insufficient electricity, the unemployment rate will increase and environmental pollution will be more serious. In short, the suspension of nuclear resources would have serious consequences for European countries.

In France, 17 new nuclear power plants are well under construction. It is estimated that French nuclear plants generated 71 percent of the nation's total power output in the past few years and will reach 80 percent in 1990. In 1985, France has 45 nuclear power-generating stations in operation with a total generating capacity of 40,000 megawatts. The completion of the 17 new nuclear power plants will increase generating capacity by 21,000 megawatts.

France is the biggest user of nuclear-generated electricity in Europe. Early in 1980, former French President Valery Giscard d'Estaing put forward the goal of realizing self-sufficiency in energy as soon as possible. Since then France has looked to the peaceful use of nuclear energy as the only way to get rid of its reliance on foreign energy.

In Belgium, there are all together eight nuclear power plants in operation, producing 65 percent of the nation's total generating capacity. It is estimated that nuclear-generated power capacity will reach 5,200 megawatts by 2000.

The Belgian Government's 10-year program for nuclear energy development (1986-1996) has been worked out, but its construction schedule for new power plants has been postponed. However, this move was the result of political party disputes in Belgium and not the Chernobyl scare.

In Switzerland, the Soviet nuclear accident has provoked active disagreements. One rank has advocated the peaceful use of nuclear energy and favors speeding up the construction of new nuclear power plants as an effective way to free the country from its reliance on foreign energy. Another rank has absolutely opposed the build-up of new nuclear power plants and demands a timetable for the complete destruction of nuclear plants in the country. One-third of federal assembly members expressed their views during the debate on the Soviet accident. Two nuclear power plants, which are under construction, have been halted at present due to the opposition of the majority.

Even still, it is impossible for Switzerland to close nuclear power plants immediately. The reasons: The use of nuclear energy is helpful to environment protection; Switzerland's water resources have been fully exploited and it is impossible to build new hydroelectric stations; and climate conditions make it impossible for the country to use wind and solar energies.

Therefore, despite public disapproval, nuclear energy will still be an important energy source for Switzerland. Currently, nuclear-generated electricity accounts for 39.8 percent of the nation's total power output.

In Sweden, although the anti-nuclear energy voice is powerful, the government has no intention of closing all the nuclear power plants in operation and the new ones under construction before 2010. Currently, nuclear-generated electricity accounts for 41 percent of the country's total power output.

In the Soviet Union, although the Chernobyl accident was one of the world's most serious nuclear disasters in three decades, the government will not abandon its nuclear energy development plan.

The Soviet nuclear industry has grown rapidly since it built the world's first experimental, 5,000-kilowatt nuclear reactor in 1954. Now the country has 41 nuclear power plants in operation with a total capacity of 25,000 megawatts by the end of 1985. They produced about 155 billion kilowatt-hours last year, accounting for one tenth of the country's total electricity output, making the Soviet Union the largest atomic energy producer last year after the United States and France.

The Soviet Government has plans to double its nuclear energy output by 1990 and triple it by the year 2000, which means that nuclear-generated electricity will make up 22 percent of the country's total power output in 1990.

This ambitious plan has been setback by the Chernobyl accident, which experts say will slow down the progress of the Soviet nuclear industry for several years. However, the nuclear disaster will not make the Soviet leadership abandon their nuclear power program, which is a major part of Moscow's long-term strategy to meet the rising domestic demands for energy and match the west in nuclear technology.

Despite Chernobyl's effects and anti-nuclear power demonstrations at home, Italy, the Netherlands and Spain will continue to carry out their nuclear energy development plans, build new nuclear power plants and keep the present ones in operation. However, the British Government has cancelled its plans to build six modern nuclear power plants on the southwest coast to replace the old ones due to the Soviet disaster's influence and opposition at home.

ZHAO MEETS OUTGOING NEPALESE, ALGERIAN ENVOYS

OW251056 Beijing XINHUA in English 1053 GMT 25 Aug 86

[Text] Beijing, August 25 (XINHUA) -- Chinese Premier Zhao Ziyang met with Guna Shumshere Jung Bahadur Rana and Adbelghani Akbi, the outgoing ambassadors of Nepal and Algeria to China, on separate occasions here today.

CORRECTION TO COMMENTARY ON U.S.-USSR CBW RACE

The following correction pertains to the item headlined "Commentary on U.S.-Soviet Chemical Weapons Race," published in the 25 August China DAILY REPORT, page A 4, paragraph two, line six:

... produce chemical weapons, as well as over 40 special warehouses. The Soviet Union has been studying and manufacturing chemical weapons without a letup. By comparison, the United States only has over 30,000 tons of chemical preparations. Moreover, most of the chemical weapons in storage, such ... (supplying dropped passage)

WU XUEQIAN SEEKS MEETING WITH SHEVARDNADZE IN NY

OW261227 Tokyo KYODO in English 1223 GMT 26 Aug 86

[Text] Beijing, Aug. 26 KYODO -- A diplomatic source here said Tuesday that Chinese Foreign Minister Wu Xueqian has already asked Moscow for a meeting with his Soviet counterpart Eduard Shevardnadze in New York next month.

Wu made the request when he met here with V.P. Fedotov, Soviet charge d'affairs in Beijing, on August 13, according to the source.

During the meeting with Fedotov, Wu gave China's official reply to Soviet leader Mikhail Gorbachev's July 28 speech in Vladivostok, in which Gorbachev called for improved Sino-Soviet relations.

Wu reportedly conveyed his hope to the Kremlin that he host a meeting with Shevardnadze in New York in September during their stay to attend the U.N. General Assembly, the source said.

Watchers speculate that the two foreign ministers will have a substantial exchange of views on the improvement of bilateral relations, including schedules for their planned reciprocal visits to Moscow and Beijing.

BEIJING DELEGATION TO USSR ENDS LENINGRAD STAY

OW240150 Beijing XINHUA in English 0138 GMT 24 Aug 86

[Text] Moscow, August 23 (XINHUA) -- A goodwill delegation from Beijing headed by Mayor Chen Xitong ended its two-day visit to Leningrad today and heads for Kiev tomorrow.

Kazimir Labetskiy, first vice chairman of Leningrad City Soviet's Executive Committee, briefed the delegation on the development and plan of the city.

Chen visited the Smolny palace, the birth place of Soviet power, the Winter Palace and the Peter Palace. Chen is the first mayor of Beijing to visit the Soviet Union in the past two decades.

SOVIET PLANNING DELEGATION FETED IN SHANGHAI

OW270409 Shanghai City Service in Mandarin 0000 GMT 26 Aug 86

[Text] The Standing Committee of the Shanghai Municipal People's Congress gave a banquet at Guoji Restaurant on the evening of 24 August in honor of the delegation of the Budget and Planning Commissions of the Council of Nationalities of the Supreme Soviet of the Soviet Union.

Vice Chairman Pei Xianbai and Chairman Maslennikov spoke at the banquet, both expressing the hope that the cooperation between the two countries in the economic, trade, scientific and technological, and cultural fields would continue to expand.

While in Shanghai, the Soviet guests had some tours and visits, and talks with people from Shanghai's enterprises. The delegation will leave Shanghai for Hangzhou today.

COMMENTARY VIEWS SRV, PRC PROPOSALS ON CAMBODIA

OW271118 Beijing XINHUA in English 1045 GMT 27 Aug 86

["Commentary: Hanoi Is Harping on Peace and Stability Again (by Tang Tianri)" -- XINHUA headline]

[Text] Beijing, August 27 (XINHUA) -- Of late, Hanoi has come out again with "peace proposals", the accomplishment of which is alleged as essential for "peace and stability" in Southeast Asia.

The so-called peace proposals were contained in a document file, "Some Important Peace Proposals of Three Indochinese Countries." They were published by Vietnamese official daily NHAN DAN on August 16, before the summit meeting of the non-aligned countries and the 41st General Assembly of the United Nations.

"The foreign ministers meeting of three Indochinese countries" held in Hanoi on August 17 and 18 created the proposals claiming that the cessation of the Kampuchean war hinges on two basic issues of "Vietnamese troops pullout" and "expulsion of the Pol Pot group."

Nevertheless, Hanoi in their proposals again refused to talk on troops withdrawal with the Coalition Government of Democratic Kampuchea (CGDK). Moreover, Vietnam has tried to make what they called "expulsion of Pol Pot group" a prerequisite for its pullout from Kampuchea.

In so doing, the Vietnamese are actually attempting to achieve "total expulsion" of "Pol Pot group", through diplomatic instead of military means.

The "Pol Pot group", as Hanoi referred to, are no other than the National Army of Democratic Kampuchea with 50,000 to 60,000 men. This army constitutes the main force in the Kampuchean war against the Vietnamese aggression, which Hanoi has failed to stamp out over the past eight years.

Clamouring about the above-mentioned expulsion, Hanoi is also aimed at knocking out the other two factions of the Kampuchean patriotic forces fighting the Vietnamese aggressors, in a bid to put Kampuchea under its perpetual domination.

In fact, the existence and growth of the Armed Forces of the CGDK will not only guarantee peace and stability of Kampuchea, but also help stem the Vietnamese further expansion towards Southeast Asia. Such being the case, the Vietnamese proposals only serve to jeopardize peace and stability in the region.

Hanoi's appeal for peace is not something new in view of their "peace proposals" made over the past seven years or so. But people may distinguish sham from genuine in a mere comparison of the Hanoi "peace proposals" with the eight-point proposal put forth by the CGDK on March 17, which has gained official support from over 50 countries.

The CGDK proposal, for the purpose of national unity and national reconciliation, has not excluded the Heng Samrin regime, though installed by Hanoi authorities. According to the eight-point proposal, the Heng Samrin regime can participate in the negotiations with the CGDK to seek a political solution to the Kampuchean problem provided the completion of the first-phase Vietnamese withdrawal.

In this proposal, a four-party coalition government is proposed with Sihanouk as the head of state and Son Sann as its premier, and four parties as equal political forces in the Kampuchean society. Whereas the Hanoi proposals deny the CGDK as a political force and therefore its clamour for "expulsion" of the National Army is tantamount to surrender by the resistance forces of CGDK.

The CGDK proposal calls for the creation of an independent, unified, free, democratic, peaceful, neutral and non-aligned Kampuchea with no foreign troops on its soil. It also suggested that a non-aggression treaty be signed with Vietnam so that Kampuchea can live in harmony with the latter. However, Hanoi's proposal has rejected the restoration of the independent, neutral and non-aligned status of Kampuchea.

Now that it is self-evident that the CCDK eight-point proposal cherishes genuine intention while that of Vietnam was made only to serve its aggression and expansion.

JOURNAL VIEWS NEW POLITICAL POWER IN PHILIPPINES

HK250600 Beijing GUOJI WENTI YANJIU in Chinese No 3, 13 Jul 86 pp 26-30

[Article by Zhou Rong: "Underlying Causes and Effects for the Change in Political Power in the Philippines" -- capitalized passages published in boldface]

[Text] A SERIES OF ECONOMIC, POLITICAL, AND SOCIAL CAUSES BROUGHT ABOUT THE CHANGE IN POLITICAL POWER IN THE PHILIPPINES. THE AQUINO ASSASSINATION MERELY TOUCHED OFF THE RAPID WORSENING OF SITUATION THERE. IN THE COURSE OF THIS CHANGE IN POLITICAL POWER, BOTH THE FILIPINO PEOPLE AND THE CHURCH PLAYED A ROLE. THE CHANGE ALSO PRODUCED ENORMOUS REPERCUSSIONS IN THE ASIA-PACIFIC REGION AS WELL AS IN THE U.S.-USSR STRUGGLE.

The Philippine presidential elections, which captured the world's attention, ended with Marcos being forced to go into exile and Mrs Aquino assuming the presidency. This change in political power was not accidental, but was brought about by a series of factors. It produced major repercussions not only for the Philippines but also for the Asia-Pacific region and for U.S.-Soviet contention. This article will attempt to make a preliminary analysis.

I. The Reasons Behind the Change in Political Power in the Philippines

Marcos established his government in 1965, implemented martial law from 1972 to 1983, and consolidated his dictatorship in the course of an 18-year rule. However, at the beginning of the 1980's, notably from the second half of 1983, the situation in the Philippines grew increasingly unfavorable to the Marcos regime and ultimately led to a change in political power.

In the 1970's, the Philippines enjoyed a relatively stable political situation in the country. The conditions for economic development were excellent, and like other ASEAN states, it was in a high growth period. However, after the 1980's began, with the assault of the world capitalist crisis, the Philippine economy started its downward trend and economic difficulties became enormous.

1. The economic growth rate declined by one-half. From 1973 to 1980, the actual Gross National Product growth rate averaged 6.6 percent; from 1981 to 1983, it was 2.6 percent.

2. There were huge deficits in the balance of payments. Since the 1980's, world market prices for primary commodities have dropped remarkably. This was extremely unfavorable for the Philippine economy where foreign trade (mainly exports of primary commodities such as sugar and copra) occupied an important position. According to World Bank statistics, the fixed price index for primary commodities fell to its lowest point in 27 years, and in some cases, prices were even lower than costs. For instance, the sugar price was 4 cents a pound while the cost was 14 cents. At the same time, prices of imported items continued to rise, causing the Philippines' balance of payments surpluses in the 1970's to be transformed to huge deficits in the 1980's.

3. There was a heavy foreign debt burden. Attracting foreign investments and foreign loans were the two methods principally applied by the Philippines to acquire foreign capital. Owing to the gradual decrease of foreign investments, the sources for capital in the Philippines were affected and foreign credits grew increasingly, reaching 24.6 billion dollars in 1983, making the Philippines one of the 10 most heavily indebted countries in the world.

4. There was a serious unemployment problem. With the economic recession, factories either worked on rotation or went bankrupt. Thus, unemployment rose drastically and the unemployment rate multiplied from 4.1 percent in 1980 to over 15 percent in 1983.

5. Currency devaluation led to commodity price increases. For example, in 1983, the price for rice increased by 10 percent while that of flour increased by 9 percent.

Under these circumstances, the masses of Filipinos were growing poorer. It was reported that 70 percent of the population lived below the poverty line. Aside from economic problems, the Philippines also faced serious political and social problems. The great majority of Filipinos worked with copra and sugar, the two industries monopolized by close relatives of Marcos and his wife. It was said that the Marcos family and their associated financial groups monopolized 80 percent of the Philippines' Gross National Product, thus underlining the huge disparity between the rich and the poor. Cries of discontent among the Filipino people against the Marcos regime rose all around and factors for social instability multiplied. The dissident opposition party accused the Marcos regime of dictatorial rule, rampant nepotism and widespread graft and corruption. Meanwhile, the Communist Party of the Philippines [CPP] and its Armed Forces continued to develop, promoting the Marcos government to list the "counterinsurgency campaign" and "economic recovery" as its two major political tasks. However, while the opposition in the Philippines stood in great numbers, it was loosely organized and was not yet a force to reckon with. At the same time, the CPP and the New People's Army [NPA] did not yet constitute a fatal threat to the Marcos regime. Nevertheless, the undeniable fact was that there was great popular discontent in the Philippine society towards the Marcos regime, and not a few forces had already adopted opposition activities against the regime. The spark was there but it still had to turn into a blaze. What provided the fuel was the assassination of Aquino.

Benigno Aquino was the principal political rival of Marcos and considered a powerful contender for the presidency. Already a town mayor when he was 22 years old in the 1950's, Aquino was an active personality in the poltical arena. He was arrested in 1972 when Marcos declared martial law and suspended all other political parties' activities. In 1977, he was sentenced to death by a military court on charges of engaging in subversion and illegal possession of firearms. Later, due to appeals from within and outside the country, Marcos ordered a review of his case. In May 1980, he was released on bail and left for the United States to undergo a heart operation.

After the operation, he did not return to the country immediately. Instead he stayed in the United States to continue his political activities against the Marcos government. Later, when he announced his intention to return, Philippine authorities warned him that should he return, he could be killed. However, he persisted in his determination to go back to the Philippines. In fact, on 21 August 1983, Aquino was shot dead as he stepped down from the plane which flew him back from the United States to the Philippines.

Aquino's death whipped up raging waves in the Philippines' political life. On 31 August, the day of his funeral, the cars and people who took part in the funeral procession stretched for miles and miles and the people numbered in the millions. The Filipinos said that never had such a huge assembly been seen in the country. This funeral procession became a mass demonstration unprecedented in Philippine history. Many people carried banners with antigovernment slogans expressing their discontent with the political and economic situation. Their main political slogan was: Marcos, resign! Its intensity had never been seen before in Marcos' 18 years of rule.

The assassination of Aquino led to drastic deterioration of the Philippine situation, and the turbulent political situation seriously affected the Philippine economy. Afterward, the economy declined steadily along with the Gross National Product, which plummeted by 5 percent in 1984 and 1985, and even registered a negative growth rate for the first time since Philippine independence. In 1985, foreign loans totalled a high of 26.5 billion dollars. Following the Aquino incident, the confidence of foreign financial cricles in the Philippines was badly shaken. Foreign investors were hesitant, and a large amount of local capital fled overseas, causing the balance of payments deficits to multiply, reaching more than $2 billion in 1984. In addition, exports declined, the peso was devaluated, production stagnated, and th economy was almost at the brink of collapse. The worsening economy aggravated the instability of the political situation, and thus accelerated the process for the downfall of the Marcos regime.

According to the provision of the Philippines Constitution, Marcos' term was to expire in June 1987. However, after the Aquino incident, the opposition and great masses of people clamored for Marcos to hold early presidential elections. Under the pressure from the Philippine people and, notably, urged by the United States, Marcos was forced to agree to holding early presidential elections.

The United States had its own considerations when it pressured and urged the Marcos regime to hold early elections. The United States not only has enormous economic interests in the Philippines, but it also maintains here two of its largest military bases overseas -- Clark Air Base and Subic Naval Base. These two bases control an area spanning from the Indian Ocean to the Western Pacific Ocean, and occupy a very important strategic position. Ever since the USSR has controlled Vietnam's Cam Ranh Bay -- which faces Subic Base from across the ocean -- and reinforced its military forces there to make it a permanent Soviet military base, the strategic importance of the U.S. bases in the Philippines has become even more prominent. In February this year, speaking at a press conference on the world's maritime passages, President Reagan emphasized: "I don't think there is anything more important than our bases in the Philippines." In order to stabilize the Philippine situation and thus continue the maintenance of American military and economic interests there, the United States could not but persuade Marcos to hold early elections. Therefore, in October 1985, President Reagan sent a special envoy with a personal letter to Marcos, stressing that the holding of free and fair elections is "the major path toward easing tension," and urging Marcos to hold early elections.

Aside from pressure from the United States, the other reason Marcos agreed to holding early elections was related to his erroneous calculations of the Philippine situation at the time. He believed that he could still control the situation, and that if elections were held, he could safely manipulate a victory.

Marcos's consenting to hold early presidential elections was indeed an opportunity for the opposition groups. The opposition had gradually become more active after the Aquino incident. However, the party out of power remained fragmented, and after numerous splits and reorganizations, it was divided into two factions: one faction had the United Nationalist Democratic Organization [UNIDO] as its nucleus and its presidential candidate was UNIDO President Laurel; the other faction had Mrs Aquino as its presidential candidate. At first, the two factions could not agree on the question of fielding a single candidate. Later, through the mediation of the U.S. ambassador to the Philippines, it was compromised that Mrs Aquino and Laurel would be the presidential and vice presidential candidates respectively.

The unification of the opposition groups in the Philippines changed the political situation, and the balance of domestic political forces gradually turned against the Marcos regime. The presidential elections became a general contention between the Marcos regime on one hand, and the opposition and the people on the other.

II. The Change in Political Power in the Philippines

From 7 February 1986 when the Philippines held its presidential elections until 25 February when Mrs Aquino assumed the presidency and Marcos was forced to go into exile in the United States, a major change occurred in the Philippine political scene and the Marcos dynasty which had ruled the country for 20 years finally came to an end. In the process of this change of political power, the Filipino people played a decisive role, as did the Church in the Philippines and the United States.

The Filipinos played a decisive role in the downfall of the Marcos regime. Before the elections, the Filipino people repeatedly staged demonstrations and marches to oppose the Marcos rule and demanded the holding of early presidential elections. After the elections, well aware of massive election fraud, the people again took to the streets and demanded the immediate resignation of the Marcos government. When [Juan Ponce] Enrile and [Fidel] Ramos staged a coup, the Filipino people supported and upheld their action. Meanwhile, Marcos overestimated his own strength, and after the military changed sides, he failed to take drastic action. When he later ordered an attack, hundreds and thousands of people had already linked arms to form a human wall and block the path of the attacking troops, leaving tanks and armored cars heavily surrounded by the people. The result was that Marcos fell into absolute isolation.

Some 84 percent of the Filipino people are Catholics, and therefore the attitude of the Catholic Church is of utmost importance. When the church first opposed Marcos, its main reason was that it wanted to pressure Marcos into implementing reforms and prevent the NPA from rapidly expanding its influence. The church did not really want the ouster of Marcos. However, Marcos himself did not want reforms and the domestic situation showed that Marcos was no longer in control. Moreover, the United States, which had close ties with the church, was not going to support Marcos any more, so the Philippine Catholic Church also vigorously opposed Marcos. The most influential church leader, Cardinal Sin, published an open letter criticizing the fraud in the elections. [paragraph continues.]

Of the country's 120 cardinals, 80 issued a joint statement supporting the opposition party. At a critical moment when the Marcos troops went to suppress the coup, the Church station, "Radio Veritas" announced that Marcos and his wife had fled the country. This report demoralized the attacking troops and soldiers while boosting the morale of anti-Marcos people and soldiers. Even though Marcos would declare on television that he had not left the Philippines and then announced that the country was in "a state of emergency," he was no longer able to save himself from defeat. When all was said and done, the Philippine Church played a definite role in the mass movement which brought down Marcos.

Before the Philippine elections, there were differences of opinion within the United States administration as to whether to support Marcos or not. Hence the Reagan government's policy towards the Marcos regime was indecisive. At first, the United States fully supported Marcos because it was more than contented with Marcos' attitude amd action on the maintenance of the two American military bases in the Philippines and his prevention of the expansion of the NPA forces. The United States did not feel at ease with someone else taking power. Nonetheless, it could not ignore tha growing strength of the opposition groups in the Philippines as well as the rising clamor for the ouster of Marcos. Still, the United States tried hard to keep Marcos in power. On 15 February, when Marcos announced his victory, Reagan issued a statement saying that he welcomed tha appearance of a two-party system, urged Marcos to form a coalition government with the opposition groups, and stated that "both sides" committed fraud during the elections. However, as the cries condemning fraud on the part of Marcos heightened, the United States felt the gravity of the political and economic crisis in the Philippines and sensed that the strong clamor for the ouster of Marcos and strength of the opposition forces were beyond the control of Marcos now. Reagan then said that election fraud was "principally committed by the ruling party." Later, he would sent special envoy Habib to observe the situation in the Philippines. Habib actively shuttled between Marcos, the opposition, and the military, and held separate meetings with them. The day after Habib left the Philippines for the United States, 22 February, then Philippine Defense Minister Juan Ponce Enrile and acting Armed Forces Chief of Staff (Fidel) Ramos launched a coup and supported Mrs Aquino. Much speculation in the foreign press pointed out that the Philippine military leaders' changing of sides might be closely linked to the U.S. scheme. In the early morning of the 25th, when Marcos asked to share power with the opposition, Reagan had U.S. Senator Laxalt tell Marcos over the phone that it was too late. Marcos angrily replied: "I am so very disappointed." Only then did he know that he had lost American support and had to give up his presidency. Therefore, it can be seen that the United States played a great role in the change in political power in the Philippines.

III. The Problems Facing the New Regime in the Philippines

Even though the Marcos regime had been overthrown, its 20-year-long dictatorial rule made it an ill-ridden shambles. With her assumption of the presidency, Mrs Aquino faced piles of problems. While she wanted to carry out a comprehensive reform to settle these problems, she was also confronted by gigantic obstacles and difficulties. The problems facing the new regime are as follows;

1. THE QUESTION OF STABILITY

The factors causing instability in the Philippines did not disappear with the change in political power. They still existed. Only by getting rid of these factors can the new Philippine regime stabilize the domestic situation.

The first and foremost problem confronting the new regime is the economy. The solution of this problem would directly effect the livelihood of the great masses of people. At the same time, it serves as the most direct standard for the people's judging of the government. Hence, whether the economy can be revived in a comparatively short period of time will have a great impact on the continued support of the people and on stabilizing the internal situation. After its inauguration, the new Philippine Government adopted a series of measures and called on the United States, Japan, and other countries to provide assistance and help the Philippines rebuild its economy. However, to truly revive the economy is no easy task.

The pro-Marcos forces are also factors causing instability. Having ruled the country for 20 long years, Marcos' influence certainly cannot be wiped out overnight. While they may go nowhere within a short period of time, still, seen from the long run, they do posses a powerful political base and still nurture hopes of staging a comeback. They thus pose a potential threat to the new regime. After the new regime was established, the pro-Marcos forces were very active. In particular, pro-Marcos forces in local areas still have considerable clout. Calling from the United States, Marcos maintains contact with his supporters and even declared his running-mate, [Arturo] Tolentino, to be the acting president. Occasional conflicts between Marcos followers and Aquino supporters take place. On 1 May this year, the two factions had a street battle in Manila where at least 50 people were injured. Consequently, how Mrs Aquino's government deals with the pro-Marcos forces henceforth is a question that cannot be ignored.

Another thorny issue for the new regime is the NPA. In the rcent years of tumult, the NPA has developed rapidly. This cannot but make the government panic. Mrs Aquino has expressed the intention of negotiating with the CPP, and she even released a batch of political prisoners including former CPP Chairman Sison. However, her condition is that the NPA must lay down their arms. At present, the president's secret emissaries have discussed with the CPP the question of holding ceasefire talks. Whether both sides can reach a unanimous opinion and whether a ceasefire can materialize remain in question.

Of the above problems, the economic issue is the key. If the economy does not improve vastly within a short period of time, it could give the pro-Marcos forces a strong reason for resisting the government as well as provide favorable conditions for the NPA to develop and expand.

2. THE QUESTION OF CONSOLIDATING POWER

Even though a new political power has been established in the Philippines, the existence of the above factors of instability and their possible developoment could directly threaten the still to be consolidated regime. Therefore, the elimination of the unstable factors is the most urgent task of the new regime, and only in this way can it consolidate power. Likewise, a strong regime could then more vigorously control the situation. Nevertheless, not only are there differences of opinion within the new regime on the question of eliminating unstable factors, but there are also numerous conflicts within the regime itself.

During the elections, the once fragmented opposition was united under the banner of opposing Marcos, but it had many internal conflicts. Today, now that the objective of overthrowing Marcos has been realized, factional conflicts within the ruling party have reemerged. In order to consolidate the new political regime, Mrs Aquino must take care of the interests of each faction. Otherwise, the regime's internal unity could become an increasingly serious problem.

3. THE QUESTION OF THE U.S. MILITARY BASES.

Mrs Aquino announced that it was impossible to permanently abandon Philippine sovereignty over the Subic and Clark bases, but she also indicated that two bases will be maintained until 1991 when the bases agreement expires. The reason is that the new government wants to revive and develop the economy as fast as possible and the key to stabilizing the situation and consolidating power is inseparable from U.S. assistance. On the other hand, the United States could use economic aid as leverage to influence policies of the Aquino government. However, the new Philippine Government cannot ignore the nationalist aspirations of the people to recover the bases. Consequently, the bases issue will become another thorny issue confronting the new government henceforth.

In short, the new government faces numerous difficulties and the road is not a smooth one.

IV. THE IMPACT OF THE CHANGE IN POLITICAL POWER IN THE PHILIPPINES

The downfall of the Marcos regime in the Philippines has inspired the antidictatorship struggles of other countries and other opposition parties, as well as impacted on countries facing a change of power. Its impact is profound in these countries.

The change in political power in the Philippines has also had great effects on the United States and the USSR. The maintenance of the U.S. bases in the Philippines has been temporarily assured. This not only favors the United States in its contention with the USSR in the Asia-Pacific region, but also gives the United States an edge in the global struggle. After Marcos had announced his victory, the Soviet ambassador to the Philippines was the only diplomat to congratulate him. The USSR had hoped to use the occasion to sow discord in U.S.-Philippines relations, but facts proved that the USSR had absolutely miscalculated and thus was at a disadvantage.

Because the USSR's Cam Rahn Bay base in Vietnam is a major advance base in its southern offensive strategy, the U.S. bases in the Philippines naturally became a thorn in the Soviet side, and vice versa. Moreover, both the United States and the USSR have recently been very active in Asian affairs and in expanding their respective sphere of influence. Hence, they cannot abandon the struggle over the Philippines. U.S. President Reagan has invited Mrs Aquino to visit the United States. Meanwhile, the USSR has also adopted a series of remedial measures: Its ambassador to the Philippines recently called on Mrs Aquino. Deputy Foreign Minister Kapitsa paid a sudden visit to the Philippines and also expressed that Mrs Aquino would visit the USSR.

The policies adopted by the States during the change of power in the Philippines showed that the U.S. policies towards its allies are now more flexible. In the past, the United States supported dictatorial regimes in other countries based on the Kirkpatrick doctrine. However, the United States did not entirely rely on this theory during the changeover in the Philippines, although the Reagan government's policy was still based on the primacy of U.S. interests. The Marcos dictatorship fell because of U.S. pressure. This was a flexible measure adopted by the Reagan administration in adapting to the situation and based on U.S. interests. The cases of Marcos in the Philippines and Duvalier in Haiti are similar and demonstrate that once one comes into conflict with U.S. interests, then the United States could abandon them anytime. [paragraph continues]

In brief, the U.S. foreign policy is to serve the fundamental interest of the United States, and its objective of safeguarding its fundamental interests remains consistent.

The new government headed by Mrs Aquino has begun to run the country. Whether it can succeed in cleaning up the mess left by Marcos is being watched by all.

Since the establishment of diplomatic relations between the Philippines and China in 1955 [as published], friendly ties have continued to flourish. With the installation of the new government, Mrs Aquino has indicated her desire to establish good relations with China. In early March this year, during a visit to the Philippines by a Chinese cultural delegation headed by Zhu Muzhi, the two governments concluded an agreement to exchange scholars and artists. This was the first foreign government delegation received by the new government as well as the first international agreement it concluded after its establishment. Soon, the Philippine Vice President, Prime Minister, and Foreign Minister Laurel will be visiting our country. The traditional friendship and relations between China and the Philippines will continue to grow stronger and to fluorish.

CHEN MUHUA MEETS NEW ZEALAND BANKING OFFICIALS

OW261130 Beijing XINHUA in English 1024 GMT 26 Aug 86

[Text] Beijing, August 26 (XINHUA) — Chen Muhua, state councillor and governor of the People's Bank of China, met and feted here today Spencer Russell, governor of the Reserve Bank of New Zealand, and his party.

NUCLEAR SPECIALIST ON SAFETY OF NUCLEAR ENERGY

OW261447 Beijing XINHUA in English 1331 GMT 26 Aug 86

[Text] Beijing, August 26 (XINHUA) -- "China has the technology to guarantee the safe use of nuclear energy," said Xu Honggui, deputy secretary-general of the Standing Committee of the Chinese Nuclear Society, here today. Xu spoke at a press conference held for the International Symposium on Nuclear Chemistry and Radiochemistry which will open on September 1.

The reason people have fears and doubts about nuclear technology is because they do not know enough about it yet, said Xu, who cited statistical evidence to show the increasing safety of nuclear power. "Some nuclear power stations in France and Japan have been operating safely for more than 30 years," he said, adding, "there are over 370 nuclear power stations in the world which generate an annual power of 15 percent of the world's total." China is building two nuclear power stations, needed for modernization, with a history of more than 30 years in the construction, management and operation of nuclear reactors behind it. "China now has a team of experienced specialists and operators for the stations will be strictly and regularly examined," said Xu.

The International Symposium on Nuclear Chemistry and Radiochemistry will be held from September 1 to 5 in Beijing, and more than 300 Chinese and foreign participants will discuss research on the peaceful use of nuclear chemistry and radiochemistry.

NATIONAL DEFENSE UNIVERSITY TO OPEN IN SEPT

HK270135 Beijing CHINA DAILY in English 27 Aug 86 p 1

[By staff reporter Wang Gangyi]

[Text] More than 500 senior officers from the People's Liberation Army (PLA) will become the first group of students to study in China's highest military academy next Monday when the PLA's new University of National Defence holds its inauguration ceremony.

The 550 students selected from officers at division level and above are expected to become a vital force in the modernization of the country's military forces after graduation.

"The inauguration ceremony will mark a mile-stone in the PLA's history," an officer from the university told CHINA DAILY yesterday. "It can be regarded as an important step in building a modernized military education system."

Founded at the end of last year with the approval of the State Council and the Central Military Commission, the university will operate directly under the country's supreme military authorities.

It will have departments of national defence research, basic military science and re-training, as well as a graduate school and training courses for teachers.

It is offering more than 100 compulsory and optional courses in military, social, economic and natural sciences. The courses will last up to three years.

The university is intended to be a nursery for the training of army-group commanders, senior military research personnel and government officials.

"To serve this purpose," the officer said, "the university has made substantial changes in the traditional areas of study and teaching methods that have been practised in military academies."

The university has scrapped the teaching of tactics for officers at division level and below and will concentrate on strategy and campaign sciences.

In political science, the students will be encouraged to study new situations and answer new questions by using fundamental theories rather than focusing on the theories themselves.

The emphasis in strategy science will be on future war characteristics and China's strategies in the context of new internal and external situations and the development of modern science and technology. The relationships between the armed forces, politics and the economy will also be an important area of study.

"To make the students familiar with modern warfare during their school days, the university will give prominence to compound exercises involving the Army, the Navy, the Air Force and the Logistics force."

Another unique feature of the university, according to the officer, is that it will train both senior military officers and high-level government officials.

"The students in the department of national defence research will include several leading officials from central government departments, provinces and municipalities," he said.

Together with students from the army the officials will do research work during their three months of study on the situation in Asia and the pacific regions.

The department plans to organize the three-month courses once a year with different research subjects.

The university has started to establish links with China's other higher education institutions and with military academies and research institutes abroad, according to the officer.

Since last April, more than 200 scholars, experts and military personnel from 26 countries have visited the university or given lectures.

GUANGMING RIBAO ON LABOR RESOURCES DEBATE

HK270825 Beijing GUANGMING RIBAO in Chinese 16 Aug 86 p 3

[Article by Chen Wentong: "The Labor Force Is Not a Commodity in the Mode of Socialist Production -- Also Exchanging Views With Han Zhiguo"]

[Text] On 2 August 1986, GUANGMING RIBAO carried an article by Comrade Han Zhiguo entitled "The Labor Force Remains a Commodity Under Socialist Conditions" (called "Han's Article" for short). It involves some theoretical issues of principle, in which right should be distinguished from wrong and a consensus should be reached through discussions.

The Rational Flow of Labor Force in the Modes of Socialist Production and Turning Labor Force Into a Commodity Are Two Questions of Different Nature and at Different Levels

According to Han's article, without recognizing the labor force market and without regarding labor force as a commodity it would be no use discussing the rational flow of labor force under socialist conditions. Thus, the flow of labor force and the question of turning labor force into a commodity have been mixed up. Regardless of the social character of production, all socialized mass production objectively called for the proper flow of labor force on the whole society scale. The all-round flow of labor force has been realized in the modes of developed capitalist production. If the socialist system is established on such a basis, the labor force will be able to flow rationally and in all-round way to a higher degree. This flow is needed not only for the proportionate distribution of the society's total labor but also for the all-round development of laborers. When the society directly owns the means of production on a larger scale and to a higher degree, the laborers will be able to flow more freely and rationally.

Given the present stage of our country, the rational flow of labor force is still subject to various objective conditions. However, since it is necessary to vigorously develop the socialist commodity economy, we should strive to create conditions for a normal and rational flow of labor force to enable both the laborers and enterprises to have certain decision-making power in choosing professions and employing people; we should properly link the flow of labor force with economic benefit. This does not mean that we should choose between the unified state deployment of labor force and the open labor force market (thus turning the labor force into a commodity) as if the former can be transforemd only through replacment by the latter.

As a commodity, the labor force is neither a common precondition for, nor the content of, the flow of labor force. It is a special type of relations of production. Only in the modes of capitalist production does the flow of labor force take the form of buying and selling commodities. As a commodity, the labor force is by no means a simple act of the circulation process. What is more important is who controls the labor force and how it is used. [paragraph continues]

The essence of labor force as a commodity is that laborers should gratuitously supply the buyers with surplus labor. It is entirely impracticable to attempt to circulate labor force in the form of a commodity without changing the status of laborers as masters. If the labor force circulates as a commodity, it will be subject to the law governing the struggle for existence, as well as the law on surplus value or the law on average profit. For this reason, as far as the whole society is concerned, it is difficult to rationalize the flow of labor force.

The Socialist Society Basically Does Not have the Conditions for Turning Labor Force Into a Commodity.

The basic conditions for turning labor force into a commodity are: The laborers have freed themselves from the relationship of personal attachment and have become free men in law; the laborers are divorced from the objective conditions of labor and thus cannot engage in labor as the owners of the means of production. A special feature of the modes of capitalist production is that the labor force is turned into a commodity. However, we cannot say that the labor force will become a commodity in a capitalist society. In practice, the socialist economy is not a mature and pure form. The conditions for turning labor force into a commodity still exist on a certain scale and to a certain degree, such as the wage labor. However, they exist only in a supplementary or remnant form. Taken as a whole, the labor force does not become a commodity in a socialist society.

In the first place, Han's article regards "individual labor force ownership" as a factor in turning labor force into a commodity. This is inappropriate. In truth, "labor force ownership" can be explained by the economic conditions that turn labor force into a commodity. Labor force is within the human body. Therefore, in a natural sense, labor force always belongs to laborers. In an economic sense, the so-called "individual labor force ownership" only means: 1) Outside the production process laborers have the right to freely allocate their labor force; 2) It is necessary to give an equivalent for the use of the laborers' labor force so that ownership can be economically realized. Given the unity of laborers and the objective conditions of labor (no matter in what form the unity is achieved), it is of no practical significance to discuss "labor force ownership." This is because what the laborers get is not the realization of labor force ownership in economic terms. Therefore, using "individual labor force ownership" to explain the transformation of labor force into a commodity seems to be a synonymous repetition.

Under socialist conditions, the laborers naturally have the right to freely allocate their labor. What they want to achieve is neither the individual ownership of labor force nor the "realization of their value on the market," but the right to possess all their labor and their labor products. Even if the laborers' income takes the external form of cash wage, it will not fundamentally change the crux of the matter. Here, it is crucial to differentiate between labor force and labor. It does not conform to the actual conditions in socialist economic relations in regard to exchange of a certain form of laborers' labor with the society or with the equivalent of other laborers' labor as the exchange of labor force or as the realization of the value of labor force, and to regard the wages of workers and staff members as the price of labor force. If that is really the case, their surplus labor will not be possessed by the laborers themselves but by another class antagonistic to them.

Theoretically, Han's article admits that the relationship between laborers and the objective conditions of labor is "a key point" in judging whether labor force is a commodity. [paragraph continues]

However, it also concludes that, under socialist conditions, the laborers "are still divorced from the means of production and, as individuals, they do not possess the actual means of production for direct distribution." This involves the question of how to look upon the essence of socialist production relations. Indeed, under the conditions of socialist public ownership, the means of production cannot be "possessed by individuals!" This is determined by the modes of production. Only in the modes of handicraft production can the means of production be "possessed by individuals." What is the indicator of the divorce between laborers and the means of production? In my view, the only indicator is the monopolistic possession of the means of production by the exploiting classes. The socialist enterprises should not, and cannot, become an obstacle to the integration of laborers with the means of production. Although in form the enterprises maintain a certain independent character toward laborers, they are not an alien body but an association of laborers. This shows that laborers are directly integrated with society's or the collective means of production.

The question boils down to this: How should we look upon the enterprises' right to choose and employ what is good and to dismiss workers and staff members? This comes partly from the need to make a rational allocation of labor force and partly from the need to discard the practice of "everybody eating from the same big pot." However, on no account does this obstruct the direct integration of laborers with the means of production. The jobs of a small number of laborers will not be reliably guaranteed. In appearance, this is due to the decision-making power of enterprises in using people. In truth, however, it is due to the fact that the means of production under the control of society are insufficient to fully arm the laborers. This direct integration does not rule out the fact that the relationship between laborers and enterprises (and the society through the enterprises) is one of exchange. However, this exchange relationship is merely one of exchanging labor and by no means a "relationship between buying and selling commodities."

Fully Developing the Socialist Commodity Economy Does Not Presuppose the Transformation of Labor Force Into a Commodity

According to Han's article, the commodity economy exists under socialism "because there is an extensive social division of labor and individual ownership of the labor force" and, therefore, "only when the labor force under socialism becomes a commodity will the products of social labor really become commodities." This is hardly acceptable. Despite its social character, the commodity economy, as an economic form in history, always has a common prerequisite for its existence. This prerequisite is the social division of labor and the private or collective character of production. The latter can be summed up as ownership relationship. No matter what specific forms are adopted in commodity production, individual labor force ownership does not constitute a fundamental reason for the existence of commodity production. In fact, "individual labor force ownership" standing side by side with the ownership of the means of production does not exist at all. Ownership is a relationship between laborers and the objective conditions of labor. The relationship between the individual or society and the labor force hinges on the modes of ownership of the means of production. The products of social labor become commodities because the economic conditions, upon which commodity production exists, have extended to the whole society, thus basically eliminating self-sufficient small production. In the capitalist society, the small producers are eliminated because they have lost their means of production and the labor force becomes a commodity because the laborers are divorced from the means of production. In the socialist society, the small producers are eliminated because private individual labor has been replaced by combined labor, the whole society is based on the system of ownership by the whole people and, internally, the enterprises are based on common ownership and combined labor. [paragraph continues]

Therefore, it is absolutely impossible for labor force extensively to become a commodity. This is precisely a fundamental distinction between the socialist commodity economy and the capitalist one.

The socialist commodity economy is different from the capitalist one in three principle aspects: 1) Internally based on combined labor, the enterprises exercise democratic management and make distribution according to work; the labor force is not a commodity. 2) The fundamental aim of production is for the interests and development of the laborers themselves. 3) As an owner at the highest level and as the representative of the people, the state carries out planned management and adjustment over the entire social production. If one of them is shaken or negated, the socialist economic system will be undermined. Under socialism, all products of labor can become commodities and some things which were not originally provided with the character of a commodity can also be commercialized. Only the labor force cannot become a commodity as a whole.

GONGREN RIBAO ON LABOR CONTRACT SYSTEM

HK270617 Beijing GONGREN RIBAO in Chinese 11 Aug 86 p 4

[Article by Li Xingyuan: "Break Down the Prejudice Against the Labor Contract System"]

[Text] Over a long period of time, people have formed the concept of equating the labor contract system with the contract employment system of capitalism. Furthermore, some people also tend to confuse the workers who have signed a labor contract with temporary workers. These erroneous ideas are mainly due to these people not understanding the content of the labor contract system, as well as its advantages.

The labor contract system refers to the system under which enterprises, and workers and staff can determine and readjust the labor relations between them through mutual selection, discussion as equals, the signing of contracts, and the adoption of economic, legal, and administrative measures.

The reform of the labor system in our country is an important component part of the whole economic structural system. The implementation of the labor contract system is advantageous to both the promotion of the rational flow of labor forces and the strengthening of competition among enterprises and within the continegent of workers and staff, so as to fully mobilize the enthusiasm, initiative, and creativeness of the vast numbers of workers for production. As a new labor system, it has demonstrated exuberant vitality from the very beginning. Therefore, we should acquire a good understanding of the following issues:

First, the implementation of the labor contract system is in keeping with the objective needs of the development of productive forces.

The current system of permanent workers is a socialist labor system established in the early fifties and has played an active role in history. However, due to a lack of experience in building socialism and the long-term influence of "leftism," an excessively concentrated economic structure relying purely on administrative means to exercise management has taken shape. [paragraph continues]

This structure finds expression in the labor system, which is characterized by "the state monopolizes the recruitment and distribution of workers," enterprises do not have decision-making powers, enterprises eat "from the same big pot" of the state, and workers and staff eat "from the same big pot" of enterprises. Such a fossilized structure has discouraged the labor enthusiasm and creativeness of the vast number of workers. With the development of the industrialization and modernization of mass production, the serious drawbacks in this area have long been exposed. The modernization of mass production demands a contingent of staff and workers who can rapidly adapt themselves to technical progress. On the one hand, this contingent should be kept relatively stable; and on the other, it should be allowed to flow rationally to a certain extent. The implementation of the labor contract system can both overcome these drawbacks and suit the objective needs of the modernization of mass production.

Second, it is necessary to acquire a correct understanding of the relationship between employment and awaiting a job.

The Constitution of our country stipulates that "the citizens of the People's Republic of China have the right and obligation of labor." In order to ensure the realization of this right of labor, the state should create conditions for labor employment by every means. However, on the other hand, due to the restrictions of factors like production levels, population, and so on, it is also impossible not to have people awaiting jobs. "The majority are employed and the minority are awaiting jobs" is an unavoidable social phenomenon.

Third, it is necessary to acquire a correct understanding of the difference between the socialist labor contract system and the capitalist labor employment system.

There is an essential difference between the socialist labor contract system and the capitalist labor employment system. Based on the capitalist private ownership system, the capitalist contract employment system is a special commodity agreement between capitalists and workers for the purchase and sale of labor and an instrument of capitalists for extracting the surplus value of workers, reflecting the employment relations between the exploiters and exploited. However, the labor contract system under socialist public ownership is for determining the labor relationship between laborers and labor collectives in the form of labor contracts and providing it with legal protection, reflecting socialist production relations. We just cannot equate the socialist labor contract system with the capitalist contract employment system.

Fourth, it is necessary to acquire a correct understanding of the relationship between the flow and the stability of staff and workers.

In implementing the labor contract system, some enterprise leaders worry that the flow of talented people might cause instability in the contingent of staff and workers and would be unfavorable to production. However, current practice in every country in the world proves: The constant improvement of the quality and the appropriate flow of laborers are the objective needs of the development of production. The stability of the contingent of staff and workers is not realized by any administrative means according to people's subjective will, but gradually realized in the flow of staff and workers according to the development of production. Only by allowing the normal, rational flow of staff and workers can we secure a normal, rational stability within the staff and workers. [paragraph continues]

Under the socialist system, by proceeding from protecting the fundamental interests of the working class and consciously applying the law of value, the state has broken through the "unit ownership" of laborers through the regulation of market and planning mechanisms and attained a rational integration of laborers and production means to increase labor efficiency. Under certain conditions, enterprises and laborers can "choose each other," secure a relative stability through signing or renewing labor contracts, and adopt the method of terminating contracts to promote the rational flow of laborers. The realization of the stability and flow of laborers is a dialectical unity.

In sum, we should firmly cultivate a new concept of the labor contract system and eliminate the incorrect ideas about it. We should actively support and participate in the reform and bring the reform of the labor system in our country to a new high tide.

GUANGMING RIBAO ON LABOR'S 'STATUS' SYSTEM

HK261541 Beijing GUANGMING RIBAO in Chinese 16 Aug 86 p 3

[Article by Yu Faming: "A Tentative View on Status'"]

[Text] People may have notice this phenomenon: In our country, all laborers have their specific "titles" -- they may be workers or cadres; or they may belong to the categories of all people ownership, collective ownership, or individual ownership. These titles or the "status" of people are all kept in people's personnel records and remain unchanged throughout their lives. This state of affairs has become a major obstacle to the efforts for enlivening the labor and personnel system.

As a matter of fact, there should not be any difference in social status or in the categories of ownership between socialist laborers. As laborers, they are all owners of the means of production and masters of the country. There should only be differences in their positions and jobs but no differences in their status or categories of ownership. They work under different categories of ownership and in different positions. This is the result of the social division of work and is determined by the development level of the social productive forces rather than by the fate of the workers themselves. Reasonable movements of the laborers should be allowed between enterprises under different ownership forms and between different positions in a certain scope in line with the social division of work, the development of production, and the changes in their personal conditions. However, the current personnel system imposes a "title" on each laborer so as to distinguish his social status concerning the ownership category and the position. As a result, some laborers have the status of being workers in the category of all people ownership, after they are fortunate enough to be recruited by the state-owned enterprises; some laborers have the status of being workers under the category of collective ownership after they enter collective enterprises or organize collective enterprises in order to help the state solve employment problems; still other laborers are engaged in individual businesses which act as an indispensable part of the national economy, but they are put into the category of individual ownership and have a low social status. On the other hand, the ranks of cadres are massive and complex. The category of cadres includes doctors, teachers, actors, policemen, accountants, and tax collectors, but workers who have knowledge and ability do not have cadres' status and cannot be promoted to leading positions. Even if some workers are promoted to leading positions, they can merely be "acting cadres" and are still treated as workers. [paragraph continues]

For a long time, the concept of dividing people's status has taken root in the minds of many comrades in the labor and personnel departments and has been taken as a guideline in their practical work.

The method of handling personnel management in light of people's "status" has many defects. First, this causes social stratification and confuses people's ideas about employment. Because of the difference in the status between workers and cadres and in the category of ownership, people may think that an individual worker is inferior to a worker who has a job under collective ownership; a worker under collective ownership is inferior to a worker in an enterprise of institution owned by the whole people; and a worker is inferior to a cadre. So people may all try hard to enter state-owned enterprises or seize a cadre position. Then, the ranks of cadres will become enormous, and it will be hard for individual and collective economies to develop. Second, this hinders the reasonable movement of labor force. Under the current system, workers under the collective ownership category cannot enter enterprises owned by the whole people even if this is necessary for the development of production; if workers under the all people ownership category are shifted to collective enterprises, they still maintain their status of being workers under all people ownership. As a result, the normal channel for the movement of labor force is clogged. Third, this is not favorable to the improvement of enterprise management. Laborers with the status of working under the all people ownership category can enjoy the wage funds appropriated by the state no matter what their enterprises' business results are. These enterprises may thus become overstaffed and operate at high costs which they cannot control. Fourth, this hinders us from breaking the "iron bowl" system. In fact, the "status" is some people's main means of protecting their "iron rich bowl." Without breaking down the barriers caused by people's "status," we will not be able to realize the target of workers being able to enter and leave an enterprise and cadres being promoted to or removed from a leading position in the reform of the personnel system.

In short, the current "status" system is not in line with the character of our labor force and with the character of our socialist mass industrial production. We should, in connection with the reform of the labor and personnel system, eliminate the influence of the "status" concept among the people so as to ensure the smooth development of reform.

IMPORTED ELECTRIC POWER PLANT SLATED FOR SHANGHAI

OW240932 Beijing XINHUA in English 0724 GMT 24 Aug 86

[Text] Shanghai, August 24 (XINHUA) -- China will import an electric-power plant, with 1.2 kilowatt capacity, for Shanghai in order to fight an expected shortage of power, a local official said today. To be built in Shidongkou, the plant will supply more than seven billion kilowatt-hours of electricity a year to China's leading industrial city after 1991, and it is the largest imported power project approved by the State Council, he said.

By then, Shidongkou will be one of China's largest power centers with 2.4 million-kilowatt generators. The plant's two generating units, each with a cpacity of 600,000 kilowatts, will also be among China's largest, said the official.

Shanghai is estimated to suffer a shortage of a total of nine billion kilowatt-hours in the next three years. The project is a joint venture between the city and the Huaneng international power development corporation.

NORTHEAST PROVINCES COOPERATE IN ECONOMICS

OW261455 Beijing XINHUA in English 1430 GMT 26 Aug 86

[Text] Harbin, August 26 (XINHUA) -- Leading officials of the northeast China provinces of Heilongjiang, Jilin and Liaoning, and the Inner Mongolia Autonomous Region have agreed to establish groups of enterprises with the stress on heavy industry.

They also approved "Temporary Measures for Economic Cooperation in Northeast China" at their third economic and technical cooperation meeting, which closed here Sunday.

These measures aim at encouraging cooperation, competition and mutual benefit, and promoting common prosperity in northeast China.

With a developed transportation system, northeast China is one of China's major producers of oil, iron and steel, coal, machinery and grain.

According to a meeting organizer, more than 2,500 projects were discussed and 226 contracts and letters of intent signed at the four-day meeting. A number of projects will be put up for discussion at the China national economic cooperation and trade seminar, which opened here Monday.

The organizer noted that northeast China began economic and technical cooperation in energy development, transportation, raw materials and production of noted-brand products in 1984.

A number of large groups of enterprises have since been established by small enterprises in different industries in the area. They include the northeast electric economic and technical group and the northeast power plants group.

RENMIN RIBAO ON EXTERMINATING 'THREE EVILS'

HK211552 Beijing RENMIN RIBAO in Chinese 19 Aug 86 p 2

[Commentator's article: "Leaders Must Take the Lead in Exterminating the 'Three Evils'"]

[Text] Over the past few years, the state has paid serious attention to the problem of arbitrarily raising funds, collecting fees, and apportioning charges, and has promulgated a series of documents and regulations. However, some areas and departments have, to date, ignored the repeated instructions of the CPC Central Committee and the State Council. They are still arbitrarily apportioning charges in a multitude of names and involving a large sum of money. Enterprises have been suffering from this. People bitterly hate the malpractices of arbitrarily raising funds, collecting fees, and apportioning charges, describing them as "three evils." They keenly feel that without extermination of the "three evils," it is impossible to invigorate enterprises. [paragraph continues]

Just as an empty hole invites wind, there are reasons for the malpractices. The main reason why the malpractice of arbitrarily apportioning charges cannot be prohibited in some areas lies in that the leaders in these areas advocated and encouraged the malpractice. Eager for quick success and fast benefits, they were keen on developing more projects and making "more achievements in their official career" regardless of their own financial capability. They ignored enterprises' ability, treated them as a ready source of money, and exploited them to the full. An overall survey of all areas shows that almost all important projects of apportioning charges were decided with the hints, tacit consent, and approval from some leaders. Those below follow the example of those above. If leaders set a bad example, they can only turn a blind eye to the malpractice of arbitrarily apportioning charges in their subordinate departments and cannot take effective measures to curb the malpractice.

We all know that invigorating enterprises is the key to the success of economic reforms. And the "three evils" are disrupting the ongoing reform at this point.

Not long ago, the State Council once again issued a circular on strictly prohibiting the malpractice of apportioning charges to enterprises. To implement the spirit of the State Council circular, the key lies in that leaders at all levels must take the lead in exterminating the "three evils." Not only must leaders at all levels refrain from the malpractice of arbitrarily apportioning charges, but they must also take effective administrative, economic, and legal measures to deal with the problem in a comprehensive way, to effectively curb the trend of apportioning charges, and to resolutely aid enterprises in curbing the malpractice. If their subordinate departments arbitrarily apportion charges to others, they must, in addition to recovering all money and goods gained by the departments, investigate and affix the responsibilities of those who apportion charges. Enterprises have the right to refuse payment of funds, fees, and charges in contravention of state policies, laws, and regulations. If their opposition is of no avail, they may sue in a people's court. If they were threatened, obstructed, or retaliated against for this, leaders should uphold justice and protect their legitimate power and interests. Only if leaders at all levels act resolutely and strictly enforce law and discipline, is it possible to curb the malpractice of arbitrarily raising funds, collecting fees, and apportioning charges and create good external conditions for invigorating enterprises.

CENTRAL BANK RECOMMENDS CAPITAL MARKET

HK221040 Beijing ZHONGGUO XINWEN SHE in Chinese 1020 GMT 20 Aug 86

[Report: "Vice President of the People's Bank Liu Hongru on Establishment of a Capital Market in China"]

[Text] Beijing, 20 Aug (ZHONGGUO XINWEN SHE) -- Liu Hongru, vice president of the People's Bank of China (the central bank), said: At present, a short-term capital market should be established and developed in China and then a long-term capital market will gradually develop.

This view is given by Liu Hongru in an article in the recently published issue No. 8 of ZHONGGUO JINRONG [CHINA FINANCE]. Concerning the steps to set up a capital market, he says: There are the following three starting points for the consideration that first a "short-term" and then a "long-term" market should be established: 1. The business to provide nongovernmental credit and to provide commercial credit between enterprises has already begun to emerge, but most of the business has been done in a primitive way with contracts that are not in writing or by opening a customer's account.

It is necessary to develop diverse forms of credit and diverse ways to provide credit on this foundation and perfect our credit system in order to make people learn how to apply and manage various means of credit. On this basis, we will gradually establish a long-term capital market. 2) The problem that the supply of capital fails to meet the demand is quite outstanding. Our banks cannot meet all the demand of funds for current capital and it is necessary to provide short-term funds through a capital market and thus urge our enterprises to improve their efficiency in using funds. 3) The control over our scale of investment in fixed assets makes it impossible to inject large amounts of currency income in our long-term capital market. On the other hand, the issuance and transference of shares and bonds involve a series of major issues related to our policies and law. It takes time to study these issues.

China's exchequer bonds differ from Western ones in the fact that the masses of people do not have the habit of voluntarily purchasing and transfering these bonds. In addition, excessive issuance of these bonds will place heavier pressure on our finance. Therefore, we can only establish our capital market step by step, making experiments for it one by one.

Liu Hongru holds that we should adhere to the principle of regarding the indirect provision of funds accommodations by our financial institutes and regard the direct provision of funds between enterprises and private people as the supplement. At present, our short-term capital market can be the market of lending between banks and financial institutes and the market where bills are discounted, and we can also gradually establish an exchange market through issuing various forms of short-term bonds.

Concerning the establishment of a long-term capital market, this financial specialist points out: First, it is necessary to continue to issue financial bonds. Subject to the approval of the central bank, in addition to specialized banks, all trust investment companies and other financial institutes that do business related to long-term investment and loans can adopt the method of issuing bonds and regard this as a portion of their sources of funds. Second, companies will issue bonds. Our enterprises will be allowed to issue bonds for investment in projects including in our plans. The third is shares. At present, we should allow collective enterprises and joint ventures of lateral cooperation to experiment in issuing shares. Enterprises that are a party to the cooperation can subscribe to shares in joint ventures. Fourth, we should improve our work in issuing exchequer bonds. There is a transference problem regarding all the abovementioned bonds and shares. As a first step, we can transfer or discount them in our financial institutes and the financial bonds issued by various financial institutes can be mortgaged for loans from the central bank.

CITY LEADERS SET EXAMPLE IN ENFORCING LAW

HK220446 Beijing RENMIN RIBAO in Chinese 17 Aug 86 p 1

[Report by Duan Cunzhang: "Benxi City Leading Cadres Take Lead in Studying and Enforcing Laws"]

[Excerpts] You Zuowu, mayor of Benxi City, was examining an application submitted by a waste products purchasing company. The application requested import of two "Crown" brand cars under the pretext of gifts presented by Hong Kong businessmen to the city's Overseas Chinese Affairs Office. He was thinking: "Is it legal?" "It is against the law to evade customs duty. The purpose of studying laws is to observe them. We should exercise authority within the limits permitted by law." [passage omitted]

In the past, the Economic Commission of the city merely attached importance to economic quotas and results, regardless of the implementation of economic laws and regulations, and failed to check the violations of law. Consequently, when enterprises acted against the law, some people even tried to plead for them. The pollution caused by the waste gas of the city rubber and chemical plant was hazardous to the health of the surrounding inhabitants. Although the Environmental Protection Department repeatedly instructed the factory to take effective measures to solve the problem, the city Economic Commission did not support the action, thus leaving the matter outstanding for a long time. Through studying and enforcing laws, the leading cadres of the city Economic Commission realized that they violated state laws and harbored the illegal activities of enterprises. The city Economic Commission consulted with the rubber plant on the matter and worked out specific solutions in light of relevant laws and regulations. [passage omitted]

Through studying laws, many comrades in Benxi City heightened their awareness, took note of handling matters impartially, and waged struggles against favoritism and the unhealthy tendencies. When the president of the city court was dealing with a complicated legal case, an old colleague gave him 200 yuan asking him to leniently deal with the case. He sternly criticized his colleague and refused to accept the money.

RENMIN RIBAO ON SPREADING LEGAL KNOWLEDGE

HK220530 Beijing RENMIN RIBAO in Chinese 18 Aug 86 p 1

[Commentator's article: "Foster A Sense of Legal System Among the People"]

[Text] Yesterday, RENMIN RIBAO carried reports on Benxi City leading cadres studying and enforcing law and Changge County replacing responsible persons of the county court in violation of the Constitution. The two reports raise an important question, that is, we must enhance a sense of legal system among the people (including leaders and cadres).

The building of the legal system is an extremely important part of the building of China's socialist modernization. Since the 3d Plenary Session of the 11th CPC Central Committee, the NPC and its Standing Committee has drafted 50 laws. The State Council has also adopted large numbers of administrative regulations. However, historical experience teaches us that good laws mean nothing without a sense of legal system and if they are not observed and strictly enforced. Only by enhancing a sense of legal system among the people and cadres can we ensure social stability and development, vigorously promote socialist democracy, and realize the four modernizations. Thus it is obvious that enhancing a sense of legal system among the people has an important bearing on our social safety and on the prosperity of the state. Not long ago, Comrade Deng Xiaoping once again pointed out emphatically: "Our current work should be focused on correcting party style. Regarding the situation as a whole, however, we should pay attention to the legal system." He also pointed out the necessity of enhancing a sense of legal system among the people by means of the reform of the political system and education in the legal system.

There has always been a lack of sense of legal system in China. This is a tremendous obstacle placed by long-term feudal autocratic domination to our socialist modernizaton program. Autocracy as well as ignorance and backwardness linked to feudal autocracy are incompatible with the legal system. [paragraph continues]

In order to strengthen the legal system in our socialist country today and to enhance a sense of legal system among the people, on the one hand, we must eliminate the practices of making no distinction between the functions of party and government, substituting party discipline for law, and one person laying down the law; and on the other hand, we must take note of improving the cultural qualtiy of the people and conducting education in legal system among the masses.

The relationship between party and government is a problem to be resolved in the reform of the political system. If a party member makes a mistake, he should be punished according to party discipline. If he does something illegal, it would be inappropriate for the party to undertake the matter. If the party exceeds its functions and meddles in the affairs of the government and other departments, it will be an obstacle to the enhancing of a sense of legal system among the people and to the strengthening and perfection of the legal system. The problems involving inner-party discipline should be undertaken by the party, while the problems within the limits of the law should be undertaken by the state and government. Many problems related to unhealthy trends are within the purview of law and society, and should not be attributed to the party. Instead of merely enforcing party discipline, we should rely on the legal system and social education to fundamentally solve the problems. Criminal offenses, which have far exceeded the problems of unhealthy party style, are problems within the scope of law. This question must be clarified by means of reform so that a sense of legal system is enhanced among the masses. This is a long-term task which should be fulfilled step by step.

In order to strengthen the legal system, the most important point is to make pain-staking efforts in educating the people. We must effectively improve the quality of the masses, particularly the younger generation, by means of legal, ideological, and cultural education. The fact that the number of juvenile delinquents has increased recently is closely related to their low cultural standard. Some people dare to violate the laws just because they are ignorant. They do not have the rudimentary legal knowledge and sense of legal system. While breaking the laws, they never think of the consequences and they do not care a bit even when they have embarked on the road of degeneration. It is distressing to see them being so ignorant. For this reason, it is necessary to conduct education from the kindergarten and primary and secondary schools. We must enable young people and the broad masses to deal with all problems with a sense of the legal system, handle individual and social affairs according to the law, correctly exercise their rights, safeguard the legitimate rights of themselves and others, give full play to their intelligence and wisdom under the protection of the laws, and contribute to the building of socialist modernization.

DENG LIQUN ATTENDS LAW COMMENDATION MEETING

OW270511 Beijing XINHUA Domestic Service in Chinese 1049 GMT 25 Aug 86

[By reporter Zhang Jinsheng]

[Excerpts] Beijing, 25 Aug (XINHUA) -- A meeting to commend workers and staff members who had done exceedingly well in a national law knowledge contest was held at the Great Hall of the People today. [passage omitted] Peng Zhen, chairman of the NPC Standing Committee, wrote an inscription for the contest: "In developing socialist democracy and the legal system, it is important for the workers and staff members of the country to know the Constitution and laws." Deng Liqun, member of the CPC Central Committee Secretariat, and Peng Chong, vice chairman of the NPC Standing Committee, attended the commendation meeting. [passage omitted]

YU QIULI, YANG DEZHI ATTEND ART EXHIBITION

OW270517 Beijing XINHUA Domestic Service in Chinese 0543 GMT 25 Aug 86

[By reporter Li Xiuqing]

[Excerpts] Beijing, 25 Aug (XINHUA) -- An "Exhibition of Southern Xinjiang Frontline Art Works," which portrays fire and blood on the battlefield, opened at the Chinese Art Gallery today. Yu Qiuli and Yang Dezhi, leaders of the Central Military Commission, cut the ribbon at the opening of the exhibition, and Zhang Aiping wrote an inscription for the exhibition.

Most of the more than 150 art works on display were drawn by army artists while visiting the Yunnan-Guangxi frontline in the past 2 years. [passage omitted] Those attending the opening ceremony also included Wu Zuoren, Chairman of the Chinese Artists' Association; Guo Linxiang and Zhou Keyu, deputy director of the General Political Department, and Chen Haosu, vice mayor of Beijing Municipality.

HU QILI INSPECTS GANSU, NINGXIA 19-26 AUG

OW261618 Beijing XINHUA in English 1527 GMT 26 Aug 86

[Text] Yinchuan, August 26 (XINHUA) -- The way for people in northwest China to get rich is to develop animal husbandry. Hu Qili, member of the Political Bureau of the Chinese Communist Party Central Committee and member of the party's Secretariat, made this remark during this eight-day tour of Gansu Province and the Ningxia Hui Autonomous Region in northwest China.

Some of the poor areas in the northwest have completed the process of planting grass and trees to reclaim land over the past few years. Hu described this as a great breakthrough in the area. Now efforts should be made to develop animal husbandry and turn out commodities like meat, eggs, hides and milk so as to benefit the peasants there as quickly as possible, he said.

Hu toured Dingxi, Jingning, Xiji, Guyuan and Tongxin Counties on the Loess Plateau between August 19 and 26 and visited some households which are specialized in planting grass and raising livestock. He spoke highly of the peasants' new concept of commodity production and urged the local governments to publicise the experiences of the successful households so as to get more people engaged in commodity production. As self-supporting economy was so dominent in the area for many centuries local peasants had no ideas of selling and buying commodities.

"Efforts should be made to promote the circulation of commodities, and special unites should be set up in every county to collect market information," he suggested. He also called for the development of education in the area. "Attention should be paid to developing vocational and technical education to train skilled workers needed in production," he said. Hu inspected a newly-built water pumping project in Ningxia, which involves a government investment of 170 million yuan. The project, which pumps water from the Yellow River to irrigate fields, has enabled 110,000 peasants in the region to escape poverty.

FUJIAN, HITACHI WORK TO SAVE TV VENTURE

HK260423 Hong Kong SOUTH CHINA MORNING POST in English 26 Aug 86 Business Post pp 1, 2

[By Olivia Sin]

[Text] The Fujian Government and Hitachi Ltd have worked out a solution to keep their problem television joint venture afloat.

The proposal, which calls for further commitment and investment from both sides, was reached after months of discussions.

Sources close to the joint venture told the SOUTH CHINA MORNING POST the television assembling plant, which halted production earlier this year because of foreign exchange problem, resumed production recently.

The Fujian Hitachi TV Co Ltd, formed in 1981, was upheld as a showcase for Sino-Japan economic co-operation.

Sources said part of the solution reached is to reduce foreign exchange spending by speeding up the usage of China-made television parts and components.

A long-term plan has also been drawn up to upgrade the technical standards of China's TV kits industry with assistance from Hitachi.

In addition, Fujian authorities will grant extra tax concessions to the joint venture and the Japanese side will reduce the prices of some imported components.

Nevertheless, sources admitted that it will take some time before the difficulties are resolved.

"There will be problems ahead but we see light at the other end of the tunnel," one source said.

Observers said the problems confronted by Fujian Hitachi were similar to that of the Beijing Jeep Corp, a Sino-US joint venture which also suspended operations earlier this year because of the foreign exchange crunch.

Beijing Jeep has also taken similar steps to solve its problems -- by increasing exports and using more China-made components.

Observers said the company's problems were compounded by the fact that China's electronics and automobile industries are both weak.

As a result, it had to rely heavily on imported parts.

Fujian Hitachi has not been plain sailing since its formation and a disproportionate amount of money and human resources have been pumped into it.

The plant has failed to source [as published] enough quality components locally, nor could it achieve its export targets.

It imported about 60 per cent of its component needs but only six per cent of its products have found markets overseas.

Its foreign exchange problems have been aggravated by the rapid appreciation of the Japanese yen and drastic devaluation of the renminbi.

Sources said the Fujian Government has spent about US$100 million to import parts for the joint venture (capitalised at only 3.6 million yuan, or about HK$7.56 million) in the past five years.

Hitachi has contributed US$10 million in kit imports.

"Some may regard this venture as a burden to both sides in view of the heavy financial commitment," said the sources.

"Some may query why the joint venture should be allowed to continue."

But China is determined to make the venture work because it wants to acquire the technology and because the failure of the plant could seriously damage China's image.

It is learned that several meeting have been held between Fujian and Hitachi officials in recent weeks to ease the difficulties faced by the venture.

A delegation of senior officials from the Chinese Ministry of Electronics visited Japan last month to foster closer co-operation with Hitachi in the field of making television parts and components.

The head of the ministry's TV research institute, Ms Chen Wenfang, was said to have had in-depth discussions with Hitachi officials during the 14-day visit.

Sources said under the plan drafted by the ministry, several dozen Chinese TV kit-making factories located in different provinces will be grouped under a holding company, Fujian Hitachi TV Components Ltd.

The kit factories are scattered in Beijing, Shanghai, Shantou (Guangdong), Xiamen (Fujian), Changchun (Jilin), Chengdu (Sichuan) and the province of Anhui.

Hitachi will provide technical assistance to the holding company, to be financed by China.

The group will mainly serve the TV joint venture.

Fujian Hitachi plants to increase its proportion of local components from the present 40 per cent to 85 per cent by next year.

It expects to source [as published] most parts like cathode tubes, printed boards, flayback transformers, cabinets, tuners, condensers and resistors from Chinese factories.

The sources said the increased local content will cut costs by about 20 to 30 per cent, giving the venture an edge in exports.

At the same time, both sides have decided to double the capital of the plant of 7.35 million yuan.

The capital injection will be split evenly between Hitachi and Fujian.

The plant managers will have to explore new export markets to earn more foreign exchange.

The export target next year is set at 20 per cent of the production.

JIANGXI'S WAN SHAOFEN ADDRESSES LECTURERS GROUPS

OW250855 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 22 Aug 86

[Excerpts] Departments directly under the provincial authority held a meeting at the auditorium of the provincial party committee this morning to welcome the 1985 lecturers group, back from their assignment among basic-level units, and to send off the 1986 lecturers group. [passage omitted]

Leaders of party, government, and Army organizations in the province attended the meeting, including Wan Shaofen, Liu Fangren, Xu Qin, Jiang Zhuping, Wang Zhaorong, Wang Baotian, (Wang Taihua), Zhao Zengyi, (Lan Shufeng), (Chen Guizen), and Yang Yongfeng. [passage omitted]

Wan Shaofen, secretary of the provincial party committee, addressed the meeting. On the behalf of the provincial party committee and the provincial people's government, she warmly welcomed the triumphant return of the first lecturers group, which consisted of members of departments directly under the provincial authority, and warmly sent off the second lecturers group to the basic levels, where members of the group will train middle and primary school teachers. [passage omitted]

Wan Shaofen said: It is an effective way for young intellectuals to mature by leaving the office of the leading body and participate in the lecturers group so that they can temper themselves in practical work among the masses in basic-level units. This is of great significance in encouraging all society members to respect teachers and attach importance to education, promoting the reform of the educational system, improving the work style of party and government offices, and training cadres. [passage omitted]

Wan Shaofen said: [passage omitted] It is hope that comrades of the 1986 lecturers group will successfully carry out the tasks the party has assigned them. They should conscientiously study and grasp the importance speech Comrade Hu Yaobang made at a meeting with a lecturers group consisting of members of the central organs. They should properly handle the relationship between ideals and reality, between the interests of the individual and those of the masses, and between book learning and practical knowledge. They should not fear difficulties of setbacks, stress their own contributions to the state, and give no thought to personal gains or losses. They should go where they are needed most and where conditions are hardest. [passage omitted]

In her speech, Comrade Wang Shaofen dealt with the province's political and economic situation in the first half of the year. She said: The province's total industrial output value in the first half of this year increased 11.2 percent over the same period last year, and it growth rate was the highest nationwide. The second best early rice harvest in history was reaped this year, and most countries gathered a bumper harvest of early rice. [passage omitted]

Comrade Wan Shaofen also briefly discussed the achievements made in rectifying party style in the province and explained the relationship between the rectification of party style and the carrying out of reform. She said: Rectifying party style and carrying out reform complement each other. It is necessary to rectify party style in order to effectively carry out reform. The achievements made in reform cannot be consolidated without the rectification of party style. [passage omitted]

Those who do bad things under the banner of reform must be resolutely investigated and dealt with, no matter who they are. We must uphold the principle that everyone is equal before the law and discipline. [passage omitted]

WAN SHAOFEN MEETS JIANGXI REPORTING GROUP

OW251126 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 23 Aug 86

[Excerpts] The provincial reporting group on party style correction successfully concluded its roving reporting and returned to Nanchang City yesterday. [passage omitted]

Wan Shaofen, secretary of the provincial party committee; Liu Fangren, deputy secretary of the provincial party committee; and Wang Taihua, Standing Committee member of the provincial party committee, met with all members of the reporting group and paid respects to comrades who had made tireless efforts to correct party style. [passage omitted]

After hearing briefings, Wan Shaofen and other leading comrades praised Jiang Daimei, Xiong Lingen, and Wang Xuenan; and leaders of the party organization of the provincial Water Conservancy Department, party committee of Shanggao County, and party Discipline Commission of Anfu County for having set good examples for party members and cadres and for building the province's party organization during their work to correct party style. She pointed out: The fact that the reporting group was greatly welcomed everywhere shows that our cadres and people dearly love the party; they have confidence and are full of hope in correcting party style.

During her speech, Wan Shaofen also stressed the signifiance of doing a good job in correcting party style, pointing out that it was wrong to set reform against correction of party style.

She said: We have set our mind to reform. But we will resolutely deal with those people who, under the name of reform, abuse power and seek personal gain, break the law and violate discipline, line their pockets with public funds, give or accept bribes, and who lead a corrupt and decadent life. At the same time, we should more than ever strengthen propaganda on positive examples, praise advanced models; foster a sound atmosphere; and find ways to increase our self-confidence. Only when party style is set right will we be able to do our work well and a will correct direction be found for reform and economic invigoration.

She hoped that every party member and cadre would learn from comrades of the reporting group, use his ability to serve the people, exercise power for public good, and do things according to rules.

Leading comrades hearing the briefings also urged Comrade Jiang Daimei and other comrades to work ceaselessly so as to make fresh contributions to effect fundamental improvement in party style and invigorate Jiangxi's economy.

GUANGDONG REVIVES DEFUNCT NEWSPAPRES, JOURNALS

HK260429 Hong Kong SOUTH CHINA MORNING POST in English 26 Aug 86 p 8

[Text] A local newspaper which closed down 10 year ago has been revived in Huiyang Prefecture and promises to be a more interesting read.

Other defunct journals in different parts of Guangdong Province have also been given new life.

There are now more than 30 newspapers in the province's cities and countries, many of them launched or revived during the past two years.

DONGJIANG BAO, of Huiyang Prefecture, stopped 10 years ago and was only relaunched in May.

The four-page tabloid, which publishes twice a week, is the organ of the prefectural government of Huiyang, but the editors want it to be more than just an official mounthpiece.

"We want to cater to the needs of various sectors of readers," said Mr Yuan Zhiping, a senior editor of DONGJIANG BAO.

He said the paper was not using material from the NEW CHINA NEWS AGENCY or copying from official publications of the Guangdong Provincial Government.

The front page is reserved for articles on "important news about the whole province and the prefecture," with the other pages mixing lighter material and local news.

The lighter material features family life, youth and women's problems, tourism, literature and photography.

Mr Yuan said the paper wanted to develop along the lines of XINMIN WANBAO of Shanghai or YANGCHENG WANBAO of Guangzhou.

He said both adopted a light approach and were popular.

"We want less emphasis on politics and ideology, but want to make the paper more informative and interesting," he said.

DONGJIANG BAO is boosting its circulation of 20,000, with subscribers from other provinces.

In 1975, newspapers in Guangdong had to cease operation if NANFANG RIBAO, the organ of the provincial Government, could reach the towns on publication day.

As a result, four out of eight local newspapers operating then had to close.

Now three of the four defunct publications have been revived, and the remaining one will soon publish again.

New publications have also been launched to cope with the increased need for information as the province's economy grows.

The new launches are also linked to the decentralisation of power, which gives localities greater autonomy.

With the increase in the number of local publications has come a shortage of trained and experienced journalists.

At DONGJIANG BAO, only a few of the 17 staff have experience of running a newspaper.

GUANGDONG AUTHORITIES NOTE POLLUTION CONTROL

OW270815 Beijing XINHUA in English 0611 GMT 27 Aug 86

[Text] Beijing, August 27 (XINHUA) -- Guangzhou's enterprises increased production value by 82 percent but cut back drainage and dust outlet by 8 and 20 percent respectively in the 1980-85 period, "the PEOPLE'S DAILY" reported today.

According to the daily, city authorities have been emphasizing controlling pollution in old enterprises' technological innovation, they exterminated 249 pollution sources which employed outdated equipments.

The city also issued laws and regulations on pollution control for newly set up enterprises in recent years. So far the city has put under control more than 5,000 main industrial pollution sources, said the newspaper.

GUANGDONG PRIVATE STOCK SOLD IN STATE ENTERPRISES

OW270811 Beijing XINHUA in English 0537 GMT 27 Aug 86

[Text] Guangzhou, August 27 (XINHUA) -- Three state-owned enterprises here have issued private stocks to their employees, thus introducing the stockholding system into state-owned enterprises for the first time in China.

Workers in the enterprises have bought stocks totalling nearly 30 percent of the capital of their factories, thus becoming employees and employers at the same time. The state still holds 70 percent of the stocks of these enterprises.

Issuing private stocks has drawn factories new circulation and technological innovation funds. The three factories all reported increased production after the experiment. They have set up boards of directors or stockholders' conferences and drawn up charters laying down the rules of sharing profits and losses among all stockholders.

The three enterprises are the Guangzhou Silk and Linen Textile Mill, the Guangzhou Mingxing Pharmaceutical Factory and the Guangzhou Qiaoguang Pharmaceutical Factory.

HENAN REDRESSES COUNTY CPC COMMITTEE MISTAKE

HK220400 Beijing RENMIN RIBAO in Chinese 17 Aug 86 p 4

[Report: "Changge County Party Committee Dismisses and Replaces Responsible Persons of County Court; Henan Provincial People's Congress Standing Committee Urges Making Correction"]

[Excerpts] The Standing Committee of the Henan Provincial People's Congress recently redressed a case of violation of the constitution by certain individual of the Changge County CPC Committee in abusing power to reorganize the leading body of the county court. [passage omitted]

Guo Xiufeng was elected president of the county court at the Changge County People's Congress in May 1984. He formed a new leading body for the county court after he assumed office. In the year or so during Guo Xiufeng's term of office, the county court achieved great successes in its work. [passage omitted]

The practices of certain individuals of the county party committee against the Constitution encountered resistance from Guo Xiufeng. He complained about the matter at the county party committee and relevant higher level departments. As a result, the county People's Congress, which was about to appoint new members for the court's leading body, was postponed indefinitely.

Guo Xiufeng intended to provide more information to the relevant departments at a higher level on 9 May this year, but unfortunately he died in a traffic accident. He was found dead, carrying three reports with him.

On the second day after Guo Xiufeng's death, the Standing Committee of the Henan Provincial People's Congress and provincial Higher Court immediately sent a group to Changge County. At the time, the county CPC Committee insisted that the "reorganization of the leading body" of the court was a "normal transfer." Instead of redressing the case, which was a violation of the Constitution, the county CPC Committee merely admitted the mistakes in work. The Standing Committee of the provincial People's Congress and provincial Higher Court clearly stated that if the county CPC Committee did not take action to redress the case, the provincial authorities would interfere in the matter. Then, the county CPC Committee had to accept the proposal made by the provincial authorities. Lastly, the Standing Committee of the county People's Congress made a decision resuming the post of Guo Xiufeng and two others as president and vice presidents of the county court.

HENAN LEADER PRAISES PEASANTS' ENTERPRISE

HK250257 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 24 Aug 86

[Excerpts] Five peasant households, including that of (Wang Baozhu), in (Chuyuan) village of (Liying) township in Yucheng County have raised capital themselves to run a meat processing plant with the township joint cooperative. They have achieved gratifying economic and social results from this operation. Provincial CPC Committee Secretary Yang Xizong has praised them for embarking on a path of developing township enterprises. [passage omitted] Since being in operation for 9 months, this plant has produced output value of 1 million yuan and made a net profit of 130,000 yuan. The opening of the plant has stimulated 230 households specializing in stock-raising and transport in the surrounding counties and townships. [passage omitted]

HEBEI DISCIPLINE INSPECTION SECRETARY SPEAKS

SK260846 Shijiazhuang HEBEI RIBAO in Chinese 12 Aug 86 pp 1, 2

["Excerpts" of the speech by Bai Shi, Standing Committee member of the provincial CPC Committee and secretary of the provincial Discipline Inspection Commission, delivered at the meeting of secretaries of prefectural and city Discipline Inspection Commissions and directors of offices in charge of dealing blows to serious economic crimes -- date not given]

[Excerpts] Since the beginning of this year, party committees, discipline inspection commissions and offices in charge of dealing blows to serious economic crimes at all levels throughout the province have conscientiously implemented the guidelines of the rally of 8,000 cadres of central organs and the Seventh Plenary Session of the Central Discipline Inspection Commission, and have achieved notable results in rectifying party style and dealing blows to economic crimes. All six unhealthy trends existing in party and government organs have practically been checked, and a number of unhealthy trends in specific trades have been corrected. Party committees and discipline inspection commissions at all levels have attached greater importance to education on party spirit; the masses of party members have further enhanced their party spirit; the work to straighten out discipline has been carried out across the board; and the struggle against serious economic crimes has been deepened. A good situation has taken shape in which leading organs and leading cadres take the lead and the whole party participates in the work of paying attention to and correcting party style to promote reform.

Although we have achieved great results, we should not overestimate them. The tasks for rectifying party style and dealing blows to serious economic crimes remain very arduous and heavy, and require the great efforts of discipline inspection cadres at all levels and comrades of the whole party.

1. Discipline Inspection Work Should Facilitate and Ensure the Smooth Progress of Reform

Reform is another great practice of Marxism in present-day China, the only way to rejuvenate China, and therefore should be placed above everything else. Discipline inspection work is an exception in subordinating itself to reform. Moreover, it should serve as a effective guarantee and an indispensable prerequisite for a success in reform. Correction of party style and reform are two sides of an entity. With party style corrected and economic crimes stricken, obstacles to and interference in reform will be eliminated and reform will be facilitated. With deepened reform, unhealthy trends can be effectively prevented and reduced. Just as contradictions exist in any entity, correction of party style and reform are contradictory to each other in certain aspects. This is not strange. We should correctly understand and be mentally prepared for it. We should not fear or evade contradictions. Only when we face contradictions squarely can we resolve them. The course of advance is a course for resolving contradictions. When solving these problems, discipline inspection departments should also make active explorations with a spirit of reform, and should not fear mistakes, or hesitate or stop for fear of any changes in specific regulations in the future. [passage omitted]

2. Major and Serious Cases Should Be Investigated and Handled Resolutely

Involving large sums of money and evil means, major and serious cases have caused great harm. Not only have they seriously damaged reform, disrupted the socialist economic order, and caused serious economic losses to the state and the people, but they have also corrupted the minds of some party members and cadres, exerted extremely evil political influence, and corrupted party style and social conduct.[paragraph continues]

If not strictly investigated and handled according to party discipline and state law, they will not only hinder the smooth progress of reform and economic development, but also, if left unchecked, create a world where embezzlement, theft and bribery run rampant, and lead to deterioration of the economy of the entire country. The present problem is that some comrades, influenced by incorrect arguments, hesitate, and wait and see in investigating and handling cases for fear that others may consider their work overdone, there may be changes in policy guidelines, and they may have to correct a deviation and make self-criticism. It is necessary for us to be prudent in handling cases and, in particular, in dealing with the problems in reform with regard to which there is no clear policy bounds, to seek truth from facts, and to protect the enthusiasm for reform. However, the present major problem is not that we have overdone but that many major and serious cases have yet to be brought to light, many unhealthy trends within the party are fostering criminal cases, and some cases which should have been investigated and handled remained intact due to some obstacles. We must carry out this work resolutely, and strive to achieve greater results in it in the second half of this year. [passage omitted]

3. We Should Make Great Efforts To Correct Unhealthy Practices in the Trades

We should further upgrade our understanding of the importance of work to correct unhealthy practices in the trades, and closely link the work with the reform and professional activities of departments in charge of professional work. If we do not correct the unhealthy practice in the trades, it is difficult for the departments in charge of professional work to carry out reform and their work smoothly, and even they will take to evil ways. Simultaneously, whether party style is good or not depends on all professions and trades maintaining direct contacts with tens of thousands of the masses. The masses concentrate the judgement of party style on whether or not we can conscientiously correct the unhealthy practices in the trades, which is related to their immediate interests. The unhealthy practices in the trades, if deep-rooted, will become factors which corrupt the people's ideas and pollute the public order. Thus, firmly grasping the correction of unhealthy practices in the trades is a task of importance for correcting party style. [passage omitted]

4. We Should Constantly Grasp Education on Party Spirit During the Course of Correcting Party Style

We should rely on the law and discipline as well as education to correct party style. Simultaneously, we should also rely on the work of investigating and handling cases as well as ideological and political work to improve party style. While handling cases, the discipline inspection departments must conduct education on party spirit and party style and carry out ideological and political work.

Along with the deep development of reform and the commodity economy, new situations and new problems of material and spiritual civilizations have cropped up, and new changes have taken place in terms of the people's thinking and ideas. During this situation, we have to further define the standards for distinguishing truth and falsehood in line with specific examples for correcting unhealthy practices and investigating and handling cases, ceaselessly conduct education on party spirit and party discipline in a timely manner, and continue to upgrade the people's ideological level and awareness and enhance their sense of party spirit. Otherwise, the people's thinking will drift off its correct course and the people will do other than what they know they should do. The more deeply the reform is carried out the more we should pay attention to enhancing education on party spirit, upgrading the people's sense of party spirit, and rising their abilities to resist the influence of capitalist ideas. [passage omitted]

5. Cadres in Charge of Discipline Inspection Work Should Adapt Themselves to the Demands of the New Situation in Terms of Their Ideology and Work Style

Cadres in charge of the discipline inspection work across the province have greatly upgraded their political understanding and abilities in doing professional work during the course of correcting party style over the past few years. They enjoy the understanding and support of the vast number of cadres and masses inside and outside the party for they have fulfilled all the tasks assigned by the party. The discipline inspection departments have increasingly higher prestige among the people. But new situations, new problems, and new contradictions continue to emerge along with the profound development of reform. To adapt themselves to the ceaselessly changing situation, we should correctly understand and properly handle the new problems cropping up in the new situation, continue to improve our ideological style and workstyle, and master such skills as correctly handling the contradictions within the party and creatively conducting our work. [passage omitted]

6. We Should Further Develop the Situation in Which the Entire Party Grasps Party Style

The most valuable experience gained in correcting party style is that the entire party grasps party style. It is not an expedient measure for a moment, but a far-reaching principle of the party. We must not relax our efforts by only grasping some major and appalling cases, eliminating several unhealthy practices, conducting education, and improving party style. We must have a full understanding of the protracted nature and arduousness of the correction of party style. A gratifying situation in which the entire party grasps party style has emerged. We should consolidate and improve this gratifying situation by enhancing party building to ensure that party organizations at all levels consciously consider improving party style as their routine work. Party organizations at all levels should solidly do practical work in this field, continue to sum up experience, upgrade their leadership, and make efforts to enrich the theory of party building in the new situation of the four modernizations. Leading organs and leading cadres should continue to bring into play their exemplary role and give different guidance according to different conditions. We should continue to achieve the work of consolidating discipline and firmly grasp the correction of unhealthy practices in other fields.

GANSU MEETING DISCUSSES POLITICAL REFORM PROJECTS

HK270245 Lanzhou Gansu Provincial Service in Mandarin 2200 GMT 26 Aug 86

[Text] A provincial forum on pilot projects in political structural reform has proposed that while carrying out economic structural reform in depth, it is essential to carry out corresponding political structural reform, first organizing pilot project work in Tianshui and Wuwei Cities and Dingxi and Yuzhong counties.

A number of cities and counties in Gansu have carried out political structural reforms in recent years to deal with some cardinal links that did not suit the economic foundation. Lanzhou City has delegated powers to the counties and districts, and the counties and districts have delegated powers to the enterprises. The duties and powers at each level have been explicitly laid down.

Tianshui City has amalgamated its economic management departments into six commissions -- for economics, agriculture, commerce, construction, planning and science and technology. At the same time it has abolished seven bureaus and administrative companies and has established four service companies -- for production materials, development work, credit and investment, and general urban development -- and three centers, for talent development, science and technology information, and science and technology consultative services. It has streamlined the vertical links by reducing the number of administrative management levels, and strengthened lateral services.

Wuwei City started by reforming the rural management setup and carried out reforms in a number of associated systems. The city has amalgamated its former 9 districts, 54 townships, and 2 towns into 32 townships and 6 towns. Six service systems have been set up from city down to township and village levels, dealing with comprehensive agricultural questions, township and town enterprises, commercial circulation, finance, culture, education, and public health, and civil and judicial affairs. Ledership has been turned into service. The reforms in these cities and counties have provided experience for political structural reform in the whole province.

The forum studied the contents of political structural reform. The two cities and two counties designated as pilot projects will spend a year in streamlining the organs, improving office work efficiency, reforming the cadre system, abolishing the systems of life-long cadre tenure of posts and retention of pay and conditions, putting the socialist legal system on a sound basis, bringing socialist democracy into play, and making policy-making a scientific and democratic affair. They will institute division of work between party and government, and solve problems in overconcentration of powers, lack of separation between party and government, replacement of government by the party, and replacement of the enterprise by the government. In this way they will carry out pilot projects in political structural reform and explore ways to unfold this reform throughout the province.

The forum was held in Wuwei City from 20 to 23 August. Hou Zongbin, deputy secretary of the provincial party committee, presided and made a speech.

'STRONG' EARTHQUAKE FELT ON GANSU-QINGHAI BORDER

OW261736 Beijing XINHUA Domestic Service in Chinese 1503 GMT 26 Aug 86

[Text] Beijing, 26 Aug (XINHUA) -- An earthquake of 6.7 magnitude on the Richter scale hit the area around Menyuan County, Qinghai Province, at 1843 Beijing summer time today.

Our nation's seismological observation network has determined that the epicenter was 37.5 degree north and 101.7 degree east. According to available information, the strong quake could be felt in Menyuan and Huzu of Qinghai Province and it cracked houses. The quake could be distinctly felt in Gulang and Wuwei of Gansu Province. It was also felt in Xining and Ledu of Qinghai Province as well as the Zhangye, Shandan, Yongchang, Minqin, and Lanzhou areas of Gansu Province.

The Lanzhou Seismological Institute under the State Seismological Bureau as well as the Gansu Provincial Seismological Bureau have sent personnel to the area of the epicenter to monitor the situation of the earthquake.

QINGHAI MEETING EXAMINES DISCIPLINE WORK

H
250209 Xining Qinghai Provincial Service in Mandarin 2230 GMT 24 Aug 86

[Excerpts] A provincial discipline inspection work conference which concluded on 24 August proposed that the party organizations at all levels must tangibly strengthen leadership over the work of improving party style, seriously investigate and deal with major and important cases, handle sectoral malpractics in a comprehensive way, and achieve a marked turn for the better in party style throughout the province by year-end. [passage omitted]

The participants unanimously held that, in accordance with the CPC Central Committee's arrangements, the party organizations at all levels have scored success in straightening out party style since last year. However, we must certainly not overestimate the achievements, but must continue to work hard. In the next stage of straightening out party style, we must focus on work in three aspects:

1. The leading organs must further implement the demand that they set the example in straightening out their style and seriously resolve problems of bureaucratism, individualism, liberalism, departmentalism; lax organization, and loose discipline.

2. Solve the problem of sectoral malpractice in a comprehensive way.

3. Continue to get a good grasp of investigating and dealing with major and important cases and strive to institute legal proceedings in all such cases by yearend.

Song Ruxiang, Liu Feng, and Huanjue Cailang, deputy secretaries of the provincial party committee, spoke at the meeting. [passage omitted]

Commentary Notes 'Erroneous' Views

HK250211 Xining Qinghai Provincial Service in Mandarin 2230 GMT 24 Aug 86

[Station Commentary: "Improvements in Party Style Must Be Synchronous With Economic Reform"]

[Excerpts] The relationship with straightening out party style and carrying out economic reform is one of dialectical unity. [passage omitted]

Generally speaking, the state of party style is relatively good in units that have done a good job in reform, and reform has been carried out relatively smoothly in units where party style has been straightened out well.

Some people hold that various malpractices and violations of law and discipline are the products of reform. This is an erroneous view. Everyone knows that there were many defects in China's old economic setup. In the wake of the development of the productive forces, reform has become a tide of history independent of man's will. In China and in Qinghai, reform has invigorated the economy, stimulated the development of the productive forces, and improved people's living standards. As a result, a situation of unprecedented prosperity has appeared in the four modernizations drive. Everyone has seen this. It is the essence and main current of reform.

Contrary to this viewpoint, some people hold that correcting malpractices inhibits the reformers and has an adverse effect on reform and production. This viewpoint is similarly wrong. Comrade Chen Yun has appointed out that there is never any question of relaxation as far as the principles of party spirit and party discipline are concerned. Reform cannot be a success without a good party style. This is indeed the case. [passage omitted]

SHAANXI CPC COMMITTEE MEETING OUTLINES TASKS

HK270215 Xian Shaanxi Provincial Service in Mandarin 2330 GMT 26 Aug 86

[Excerpts] An 11-day enlarged meeting of the provincial CPC Committee Standing committee concluded on 25 August. This was both a work and a study meeting. Bai Jinian, Li Qingwei, Zhou Yaguang, Dong Jichang, and Mou Lingsheng took turns in presiding. The main agenda consisted of studying the important speech of Comrade Hu Yaobang on party style and contradictions within the party, studying and discussing the equestion of further correcting party style, studying the instructions of comrade Deng Xiaoping, and focusing on discussing the grain production question. The meeting also made arrangements for work in the next 4 months. The meeting had the following marked features:

1. The participants sat down and did some serious study. Through study, they gained further understanding of the spirit of the speeches of Comrades Deng Xiaoping and Hu Yaobang and of the extreme importance and urgency of straightening out party style. They also gained greater confidence.

2. The seriously pondered and studied a number of questions, such as straightening out party style, eliminating the pernicious remants of feudalism, and carrying out political structural reform. They also studied questions of economic structural reform and other work. [passage omitted]

3. The participants engaged in theorizing, exposing problems, analyzing things, and carrying out criticism and self-criticism. In this sense, the meeting was a relatively large-scale democratic life meeting which embodied the party's healthy political life. [passage omitted]

During the meeting, Comrade Zhou Yaguang delivered a report on straightening out party style. Comrade Xu Shanlin spoke on agricultural questions. Comrade Bai Jinian made an important speech in which he spoke of his understanding regarding Comrade Hu Yaobang's important speech in conjunction with the reality of straightening out party style and correcting malpractices in Shaanxi. He also outlined arrangements for the provincial party committee's work in the next 4 months on the basis of summing up this work in the past 8 months.

On work in the next 4 months, the guiding principle advanced by the provincial party committee is to grasp the implementation of measures, seek depth, and gain practical results. The main points of the work are as follows:

1. Persevere in putting reform first.

2. Grasp the four fundamental cardinal links, provide careful guidance for party rectification, and further straighten out party style. The four fundamental cardinal links are: 1) Concentrate forces to tackle major and important cases. 2) Continue to do a good job in straightening out organ work style and put sectoral malpractices right. 3) Focus on enhancing party-member cadres' awareness of party spirit. This is the fundamental way to straighten out unhealthy trends. 4) Step up cadre training and fundamentally improve the quality of the cadre contingent.

3. Regarding production questions, we must seriously sum up and absorb the experiences and lessons of guiding economic construction in the first half of the year; step up ideological and political work; do still better in directing, coordinating, and organizing production; and make proper arrngements for the materials and so on required in production. We should focus on helping areas and departments where there are big shortfalls in output.

In agricultural production, we must base our efforts on fighting natural disasters to reap a bumper harvest. We must make full ideological and material preparations for combating torrential rainstorms, hailstorms, and drought, and strive to ensure that the year's grain output catches up with or exceeds the previous record. In financial work, we must work hard to increase revenue and economize expenditures. We must fulfill the year's revenue collection plan. Expenditure must be strictly controlled. We must strive for a balanced budget over the whole year.

In conclusion, Comrade Wei Minghai reported on his comfort visit to the Laoshan front.

XINJIANG SECRETARY ON ENDING MELON SALES PROBLEM

HK250237 Urumqi Xinjiang Regional Service in Mandarin 0000 GMT 25 Aug 86

[Excerpts] According to XINJIANG RIBAO, the regional CPC Committee and government held an urgent meeting yesterday evening which called on the leaders concerned at all levels to adopt practical measures to improve circulation work and help the melon-growing peasants to solve their difficulties in selling melons.

Data provided by the agricultural departments shows that the sown area and output of watermelons in Xinjiang both showed big increases over last year. Although a bumper harvest has been gathered, there are serious stockpiles of watermelons in the producing areas due to the failure of circulation work to keep up with requirements. The melon-growing peasants are very worried about selling their produce, and difficulties in selling the melons have occurred throughout Xinjiang. According to incomplete statistics, output of watermelons this year is about 1.5 million tons. Some 250,000 tons are being exported to the interior, but sales outlets within the region are required for a further 1.2 million tons. This is a serious problem currently facing the region.

Regional CPC Committee Secretary Song Hanliang stressed at the meeting that the party and government leaders at all levels and the departments concerned must work to solve this problem and grasp it as a current outstanding problem. [passage omitted]

He stressed that the supply and marketing departments in agricultural production must attach importance to the question of commodity production and establish the concept of comodity economy. Apart from taking care of cultivation, they must also take care of sales. Apart from taking care of sales, they must also take care of increasing the income of the melon-growing peasants. If they cannot do this, these departments cannot be said to have fulfilled their task. [passage omitted]

If the problem is not solved properly, this will not only seriously affect the income of the melon-growing peasants but will also seriously damage their enthusiasm for growing melons and have an impact on future melon production. We must absolutely not take this question lightly.

Song Hanliang said that the localities and the departments concerned must think up ways and act to help the peasants to sell their melons. In particular, the agricultural and supply and marketing departments must do a good job in investigation and study to find out how many melons there are in a locality, how many are needed, and where the sales prospects are good, thus providing information services for the peasants. [passage omitted]

The communications and transport departments must cooperate closely and mobilize vehicles to transport melons. The melon-growing peasants should be given favored treatment in transport costs.

Tomur Dawamat, Huang Boazhang, Liang Guoying, and other leading comrades spoke at the meeting. [passage omitted]

TAIWAN TO SIGN CORN PURCHASE AGREEMENT WITH U.S.

OW260913 Taipei CNA in English 0240 GMT 26 Aug 86

[Text] Taipei, Aug. 25 (CNA) -- The Taiwan Area Maize Importers Committee [Tamic] has decided to sign a new agreement with American maize growers in September this year on the purchases of maize from the United States in the next five years. Lin Kun-chung, chairman of the committee, has accepted an invitation to meet with U.S. Secretary of Agriculture Richard Lyng in Washington, D.C. on Sept. 12 and to exchange opinions with him on the ROC's [Republic of China] future grain trade with the U.S.

A spokesman for Tamic indicated that his committee originally decided not to sign a new agreement with the U.S. because the U.S. Maize producers association recently passed a resolution to support the U.S. Congress' decision to override President Ronald Reagan's veto of the Jenking Bill imposing stiff limits on foreign textile imports. Tamic changed its mind after American maize growers stated publicly that the association's resolution could not represent their opinions, he said.

MOEA TO LIFT AUTO EXPORT RATIO REQUIREMENTS

OW270341 Taipei CNA in English 0259 GMT 27 Aug 86

[Text] Taipei, Aug. 26 (CNA) -- Vice Economics Minister Li Mo disclosed Tuesday that the Ministry of Economic Affairs has agreed to abolish the export ratio requirements for domestic joint venture auto companies. Vincent C. Siew, director general of the Board of Foreign Trade, told Li that the second day of the ROC-USA trade talks ran into a stalemate. Li said that the negotiations on the import of American cigarettes and alcoholic beverages will enter a decisive stage on Wednesday. He declined to comment what will happen if the two sides fail to reach an agreement by then. He pointed out that the nation agreed in principle to abolish the export ratio requirements during its last talks with the United States in Washington, but the two countries still had differences over this issue because American negotiators insisted that the new measure be retroactive. After an evaluation by the Industrial Development Bureau, the Economics Ministry has decided in principle to lift all export ratio requirements, including those imposed on joint venture auto companies here in the past.

TALKS WITH U.S. ON TOBACCO IMPORTS HIT SNAG

OW261532 Taipei CNA in English 1441 GMT 26 Aug 86

[Text] Taipei, Aug. 26 (CNA) -- Trade negotiators of the Republic of China and the United States Made virtually no progress Tuesday in their negotiations on imports of American tobacco and alcoholic beverages, an informed source said. Negotiators of the two countries started a five-day trade meeting in Taipei Monday. Topics of negotiation at the meeting include the ROC's [Republic of China] committment to import American tobacco, beer, and wines, auto export performance requirements, self-content requirements, tariff concessions, and the U.S. generalized system of preferences with regard to certain ROC products. The two parties failed to reach an agreement Monday on how to calculate the import prices of American tobacco and wine. The negotiations hit a snag again Tuesday, because the American side demanded a change in the ROC's tobacco and wine monopoly system. The informed source said that the negotiations, which were called off Tuesday after 90 minutes, will be resumed Wednesday. Vincent C. Siew, director general of the Board of Foreign Trade, and U.S. deputy assistant Trade Representative Sandra Kristoff represent the two countries in the trade negotiations at the head office of the Coordination Council for North American Affairs in Taipei.

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RADIATION SYMPOSIUM OPENS IN BEIJING

OW261214 Beijing XINHUA in English 1133 GMT 26 Aug 86

[Text] Beijing, August 26 (XINHUA) -- Over 120 specialists and scholars from eight countries, as well as representatives from the World Meteorological Organization, gathered here today to discuss changes in solar radiation and their effects on the world climate.

The radiation symposium, co-sponsored by the Chinese Meteorological Society and the American Meteorological Society, has received 70 academic papers from Australia, Canada, Federal Germany, France, Italy, Japan, the United States and China. These papers cover global radiation, radiation on the Qinghai-Tibet Plateau, remote sensing of the atmosphere, aerosol, trace gases, atmospheric chemistry, cloud and radiation, and radiation instruments.

An official from the Chinese Meteorological Society told XINHUA that since the founding of New China, Chinese meteorologists have started radiation observations, and set up an observation network throughout the country.

In the summer of 1979, meteorologists from the State Meteorological Administration and the Chinse Academy of Sciences jointly carried out experiments on the Qinghai-Tibet Plateau, set up six more radiation observation stations there, and for the first time made an atlas of the radiation and heat balance on the plateau.

The official said Chinese and American meteorologists had jointly carried out surface boundary layer measurements on the plateau in June and July this year, and set up observation stations in Lhasa and Nagqu.

The research work is still going on, he added.

He said most of the scientists held that radiation changes on the earth and the atmosphere around it are the major physical factors affecting the climatic changes worldwide.

XINHUA REVIEWS AIMS OF NONALIGNED MOVEMENT

OW271101 Beijing XINHUA in English 1004 GMT 27 Aug 86

["Interpretative report: The Non-Aligned Movement -- 25 Years of Fruitful Working for Independence, Peace and Development (by Chen Shengtao and Chen Hegao)" -- XINHUA headline]

[Text] Harare, August 26 (XINHUA) -- For the non-aligned nations upcoming September 1 is a red letter day of double happiness, when they will hold their 8th conference of heads of state or government and at the same time celebrate the 25th anniversary of their movement, here in the capital of Zimbabwe.

Once again leaders of the great majority of developing countries will meet to make an overall review of the world situation and to address a wide range of major and pressing problems facing mankind today. Organizationally, some more countries will be admitted into the movement.

As thousands of delegates from the movement's 101 member countries and organizations are converging on Harare, people are glad to see the fast expansion of the movement's ranks and the growth of its role in world affairs.

The Non-Alignment movement [NAM] was first conceived by the late Yugoslav President Broz Tito in the mid-1950's are an independent, global and equitable alternative to bloc policies and bloc rivalries and as a concerted force working for a new world order based on national independence, equality, justice, peaceful coexistence and cooperation among all states When the first NAM summit conference convened in Belgrade on September 1, 1961, it was attached by leaders from 25 countries, at a time when most of the world nations were still struggling under colonial rule, crumbling as it was as a system, and when the United Nations had only 61 members.

With non-alignment as the cornerstone, the movement campaigns, in a nutshell, for complete independence, durable peace and development for all. The movement in its action has followed a set of established principles which have stood the test of time. No matter whether it was in the phase of clod war, in the period of detente, or in the current stage of confrontation and dialogue, the movement has always upheld non-bloc, anti-bloc policy as its quintessence, as the cohesive force for its unity, and as the source of staina for advancing the interests of its objectives. Moreover, by insisting on this policy, NAM on the whole has been able to assume self-determined positions with respect to international issues.

With so many countries committed to non-alignment and organized into a force active on the international scene, and with the existing blocs weakened in a certain measure, the post-war bi-polarity in world politics and the hegemonic pursuits of the superpowers have never been so seriously challenged.

The Non-Aligned Movement has always been clarion for support for the peoples fighting for national liberation from under colonial rule and for struggles against imperialism, colonialism, neo-colonialism, racism, Zionism, and all forms of foreign aggression, occupation, domination, interference or hegemony. It upholds the right of all peoples to complete independence -- political, economic, social, cultural -- and their right to self-determination in every aspect of life. As a latest example, the last NAM summit, held in New Delhi in 1983, called for the withdrawal of foreign troups from Afghanistan and Kampuchea.

Since the third summit held in Lusaka in 1970, economic problems have become one of the movement's preoccupations, in echo to the aggravation of international economic relations and the consequent widening of the gap between the developing developed countries.

Amidst a growing awareness that political independence without economic well-being means little and that no substantive stability in the world is possible without the solution to outstanding economic problems, the non-aligned nations, at their fourth summit held in 1973, preoceeded to formulate another major objective of the movement: Economic emancipation through the establishment of a new world eocnomic order based on justice and equality.

This interest has manifested itself strongly almost at every international conference concerning economic matters attended by developing countries,gaining momentum of increasing proportions.
In recent years, NAM complaints and claims have focussed on the ills behind the immediate economic woes of the developing world -- worsening terms of trade, mounting debt burdens, hardening conditions attached to aid, etc.

While addressing demands to the developed countries, the movement, out of its collective self-reliance strategy, has also made progress in South-South cooperation in various fields.

Through their positive activities and initiatives, which cover the whole spectrum of human life and which range from appeals for the peaceful use of outer space to the equitable utilization of sea-bed resources as the "common heritage of the mankind", the non-aligned countries have made themselves a force to be reckoned with worldwide.

Thanks to NAM, above all, for the first time the long-cherished human desire for independence, peace and development has translated into a strong determination, a loud voice and a resolute action.

In the United Nations, the presence of NAM has greatly helped free it from the grip of the superpowers and the military blocs they have organized, propelling it towards a platform for the great majority of nations and people to voice their ideas and wishes.

It was no accident at all that the U.N. General Assembly has called two special sessions on disarmament as proposed by NAM and that the 6th U.N. General Assembly session adopted the principles of the new international economic order.

For many years after the Second World War, mankind has been at a crossroad, with many being at a loss as to what road one had to choose in the days ahead. But today, after so many happenings that have taken place with them, both positive and negative, after following the footprints of NAM from Belgrade to Harare, people have become much more sure about what to do to have a safer and better world.

PRC VICE MINISTER CRITICIZES JAPANESE GROUP

OW281145 Tokyo KYODO in English 0918 GMT 28 Aug 86

[Text] Beijing, Aug. 28 KYODO -- China Thursday slammed a private project in Japan to honor the late Chinese Nationalist leader Chiang Kai-shek as harming bilateral relations.

In a meeting with Japanese reporters, Vice Foreign Minister Qi Huaiyuan said he was aware that a private organization headed by former Lower House speaker Hirokichi Nadao was making a move to honor Chiang.

"This amounts to creating two Chinas and it will hurt the feelings of the Chinese people," he said.

He said he wished those people in Japan who are for Sino-Japanese friendship would not be involved in the project.

Touching on other issues, Qi said China is not worried at all about military cooperation between the Soviet Union and North Korea.

China does not think such cooperation would alter the military balance in the Korean peninsula, he said.

Qi also reiterated China's support for North Korea's policy of seeking peaceful unification with the South.

"(North) Korean leaders have repeatedly said they have no intention of launching a military attack on the South, nor do they have the capability to do so," Qi said.

GU MU HOSTS BANQUET TO HONOR JAPANESE SCHOLARS

OW261536 Beijing XINHUA in English 1522 GMT 26 Aug 86

[Text] Urumqi, August 26 (XINHUA) -- State Councillor Gu Mu gave a banquet here tonight in honor of Japanese experts who are here for the sixth annual meeting of the China-Japan Society for Exchange of Economic Information.

More than 40 Chinese and Japanese economists and scholars are attending the seven-day meeting, which opened in Urumqi, capital of the Xinjiang Uygur Autonomous Region, yesterday. Minority-nationality problems are also on the agenda.

Since its establishment in 1980, the society has conducted in-depth research into Sino-Japanese economic questions, technological cooperation, China's structural reform and new technological revolution, and the Japanese economy.

XINHUA ON HONG KONG ECONOMIC GROWTH REPORT

OW271916 Beijing XINHUA in English 1441 GMT 27 Aug 86

[Text] Hong Kong, August 27 (XINHUA) -- Hong Kong's economic growth in the first half of this year was export-led, with domestic exports providing the main impetus to growth, according to the half-yearly economic report published Tuesday by the Hong Kong authorities.

The recovery in domestic exports has gathered momentum since March and growth rate reached about 14 percent in the second quarter. For the first half as a whole, domestic exports grew by an estimated eight percent in real terms compared with the same previous period.

The report notes that Hong Kong's domestic exports to all major markets, apart from the Chinese mainland, grew in the first half. The depreciation of the U.S. dollar, and hence of the Hong Kong dollar due to the linked exchange rate system, against most major currencies has enhanced the competitiveness of Hong Kong's exports and was probably the main factor behind the recovery in domestic exports.

The report observes that manufacturing activity continued to expand in the second quarter, as evidenced by the figures for domestic exports, the order-book positions of a selection of large manufacturers, retained imports of raw materials and semi-manufactured goods, and the quantity of electricity consumed by the industrial sector.

However, investment demand was weak, as indicated by the decline of about five percent in real terms in retained imports of capital goods.

After a strong recovery in 1985, the property market seems to have entered a consolidation period. As regards building plans, envisaged developments of all major types of property increased in the first half of 1986 compared with the same period last year.

The rate of inflation also dropped as low as 2.5 percent in the second quarter of the year. The unemployment rate stayed at three percent.

CPC GROUP LEAVES FOR NEW ZEALAND, AUSTRALIA

OW271317 Beijing XINHUA in English 1215 GMT 27 Aug 86

[Text] Beijing, August 27 (XINHUA) -- A Chinese Communist Party (CPC) delegation led by Hao Jianxiu, member of the Secretariat of the CPC Central Committee, left here today for New Zealand to attend an annual meeting marking the 70th anniversary of the founding of the country's labor party at the invitation of the party.

After its visit to New Zealand, the delegation will pay a goodwill visit to Australia at the invitation of Australian Government and Labor Party.

Seeing the delegation off at the airport was Zhu Liang, head of the International Liaison Department of the CPC Central Committee.

ZHAO ZIYANG MEETS BELGIUM'S PRINCE PHILIPPE

OW271508 Beijing XINHUA in English 1430 GMT 27 Aug 86

[Text] Beijing, August 27 (XINHUA) -- Premier Zhao Ziyang met His Highness Prince Philippe of Belgium at Zhongnanhai here today.

Zhao expressed a warm welcome to the prince, adding that he belived the prince's current visit would surely promote the friendly relations between the two countries.

Zhao held that relations in every field between China and Belgium have developed satisfactorily. He praised Belgium's King Baudouin and the royal family for their vital contributions to the expansion of relations.

Reviewing the meetings between himself and King Baudouin in 1981 and 1984, Zhao said he was deeply impressed. He asked the prince to convey the best regards of President Li Xiannian and himself to the king.

The prince told Zhao that his visit to China has made it possible for him to get an all-round understanding of China, including its history, hard-working people and the development of its special economic zones.

The prince arrived here August 3 for a month-long informal visit as a guest of the Chinese Government. Belgian ambassador to China Jan Hollants van Loocke also was present at the meeting.

Wu Xueqian Hosts Banquet

OW271515 Beijing XINHUA in English 1437 GMT 27 Aug 86

[Text] Beijing, August 27 (XINUUA) -- State Councillor and Foreign Minister Wu Xueqian met and gave a banquet here tonight in honor of His Highness Prince Philippe of Belgium and his party.

In his toast, Wu said, as countries sharing friendship, China and Belgium share similar views on a series of major international issues. In recent years, he said, the good cooperative relations in political and economic fields between the two countries have witnessed a satisfactory development. This is partly attributable to the Belgian royal family's efforts, he added.

The prince's current visit will help him deepen his understanding of China's on-going structural reform and modernization program, and help him appreciate the profound feelings of the Chinese people for the Belgian people, Wu said.

Prince Philippe thanked the Chinese side for the warm hospitality accorded him during his tour. The visit demonstrated that contacts between people can deepen mutual understanding, he said.

He said his contacts with the Chinese workers, peasants and intellectuals, and his visits to rural areas, enterprises and cities, have made him more confident of the further expansion of the existing harmonious relations between China and Belgium.

XINHUA NOTES ADN ITEM ON HONECKER VISIT

OW271919 Beijing XINHUA in English 1520 GMT 27 Aug 86

[Text] Berlin, August 27 (XINHUA) -- Democratic German leader Erich Honecker will pay "an official friendly visit" to China in the second half of October, the ADN NEWS AGENCY announced today. Honecker, general secretary of the German Socialist Unity Party and chairman of the Council of State, will visit China at the invitation of Hu Yaobang, general secretary of the Communist Party of China, and Chinese President Li Xiannian, ADN said.

The 74-year-old Honecker's visit to Beijing will be the first of its kind in more than two decades. Meanwhile, the agency announced that Honecker will also pay official and friendly visits to the Democratic People's Republic of Korea and Mongolia later in October.

WU XUEQIAN MEETS POLISH VICE FOREIGN MINISTER

OW261026 Beijing XINHUA in English 0931 GMT 26 Aug 86

[Text] Beijing, August 26 (XINHUA) -- State Councillor and Foreign Minister Wu Xueqian met Polish Vice-Foreign Minister Jan Majewski here today. They exchanged views on the further development of the bilateral relations. Jan Majewski arrived in Beijing on August 24 at the invitation of Chinese Vice-Foreign Minister Qian Qichen.

PENG ZHEN MEETS, FETES ROMANIAN PARLIAMENTARIANS

OW260939 Beijing XINHUA in English 0811 GMT 26 Aug 86

[Text] Beijing, August 26 (XINHUA) -- Peng Zhen, chairman of the Standing Committee of China's National People's Congress (NPC), expressed his hope here today to further develop and strengthen the friendly relations and cooperation between China and Romania in an all-round way. Peng made the remarks at a meeting with a delegation from the Romanian Grand National Assembly led by its chairman, Nicolae Giosan.

Peng said the relations between the two parties, the two countries and peoples have been very good. China and Romania share common or similar views on many major international issues, and Romania plays an active role in the international affairs, especially on the question of safeguarding world peace.

He pointed out tht at present, there still exists the danger of war, but the forces for safeguarding peace and checking war are growing very fast. People all over the world want no war and it is possible to prevent a new war.

Giosan gave an account of Romania's economic construction. He said that his delegation's current visit has testified to the good relationship between the two countries and parliaments. He said he hoped to contribute to making such relations stronger.

After the meeting, Peng gave a luncheon in honor of the delegation. Present on the occasion were Geng Biao, vice-chairman of the NPC Standing Committee. This morning, Geng Biao and Giosan held talks to exchange views on strengthening bilateral cooperation in various fields.

RENMIN RIBAO ON HUNGARY'S POLITICAL RESTRUCTURING

HK261028 Beijing RENMIN RIBAO in Chinese 22 Aug 86 p 7

[Article by Yi Han: "Advancing in the course of Reform -- Hungary's Political Restructuring" -- capitalized passages published in boldface]

[Text] Hungary, which started reform of the economic structure earlier than other East European nations, has achieved major successes in this aspect. At the same time, its political restructuring is also making good progress.

The reform practice in Hungary has proved that REFORM OF THE ECONOMIC STRUCTURE INEVITABLY STIMULATES REFORM OF THE POLITICAL STRUCTURE. B.T. Ivan, president of Hungary's Academy of Sciences, pointed out not long ago: "In Hungary, reform of the economic structure was, is, and will be closely linked with the reform of the political structure." Reform of the economic managerial system in Hungary was gradually carried out on the basis of a well-conceived plan. Along with the development of reform in the agricultural, industrial, and commercial spheres, mandatory plans were discarded, decision-making powers of enterprises were extended, and the role of the market economy was brought into full play. This brought about a new political situation in the country. Under such circumstances, it was naturally impossible to maintain the previous highly-centralized political structure. Some reform measures in economic management such as direct election of factory directors were also political reform measures. The facts have demonstrated that reform of the political structure is the guarantee of reform of the economic structure and is necessary to the development of production and construction.

In Hungary, the main goal and points of political restructuring is to strengthen socialist democracy and the legal sytem; to reform the cadre and election systems; to delegate more powers and functions to the local authorities, enterprises, and social organizations; to bring the initiative of all quarters into full play; and to help the people become the masters of their country so as to create a situation in which people throughout the country work as one to expedite socialist construction.

IMPROVING THE PARTY'S CADRE POLICY AND INSTILLING MORE DEMOCRACY INTO CADRE WORK ARE THE KEY LINKS IN HUNGARY'S REFORM OF THE POLITICAL STRUCTURE. In March this year, the Hungarian Communist Party Central Committee adopted a resolution on cadre work, reaffirming the institution of the tenure-of office system among leading cadres. The system stipulates that leading cadres at various levels from the central to local authorities should not work at a post for more than two terms of office (10 years), with the exception of some individual cadres approved by the party Central Committee. The resolution stresses that leading cadres must comply with the requirements in three aspects -- in other words, they must be politically and professionally qualified and have leadership and organizational ability. In selecting and promoting cadres, opinions must be solicited from the general public. Meanwhile, since the beginning of the 1980's, cadres in various spheres in Hungary have been largely employed by means of engagement. This measure serves to promote cadres on a more reasonable basis and put an end to the system of lifelong service of leading cadres.

Hungary attaches great importance to GETTING RID OF BUREAUCRACY, BUILDING CLOSER RELATIONS BETWEEN THE PARTY AND THE PEOPLE, AND PREVENTING CADRES FROM SEEKING PERSONAL PRIVILEGES. Leaders of the Hungarian Communist Party Central Committee strongly advocate leading a thrifty and simple life and maintaining close ties with the people. Principal leading cadres working in different party and government departments and different localities are required to change in rotation and work of leaders at various levels should be periodically appraised. The Hungarian Communist Party and Government also call for leadership organs not to recruit children of their cadres and close relatives are not allowed to work at the same office. These measures have played an important role in preventing cadres from seeking personal privileges and from knitting a web of relationships among themselves.

THE INSTITUTION OF THE SYSTEM OF NOMINATING MORE CANDIDATES THAN DEPUTIES TO BE ELECTED IS ANOTHER IMPORTANT MEASURE TAKEN FOR POLITICAL RESTRUCTURING. In the past election of deputies to the National Assembly of Hungary, every electoral district had only one candidate nominated by the higher authorities; the constituency had no choice. In December 1983, the National Assembly of Hungary proclaimed a new electoral law, replacing the method of nominating candidates equal to the number of deputies to be elected by the method of nominating more candidates than deputies to be elected and stipulating that there must be more than two candidates for each deputy. In the light of the new electoral law, in June 1985, Hungary proposed a nationwide election of deputies to the National Assembly and local assemblies. The election was vigorously supported by the people and yielded good results. This is of great significance to further developing and improving socialist democracy.

SEPARATE PARTY FROM GOVERNMENT FUNCTIONS, SEPARATE GOVERNMENT FROM ENTERPRISE FUNCTIONS, AND DELEGATE MORE POWERS TO LOCALITIES, ENTERPRISES, AND SOCIAL ORGANIZATIONS SO AS TO GRADUALLY CHANGE THE SITUATION IN WHICH THE FUNCTIONS OF THE PARTY AND GOVERNMENT ARE MINGLED WITH EACH OTHER, AND HIGH CENTRALIZATION. There are the main points that Hungary has been looking into and practicing in reform of its political structure. Hungarian leaders and scholars have pointed out: To develop democracy, it is necessary to change the situation in which the party Central Committee takes on everything. Under the leadership of the party, government offices, local assemblies, economic units, and social organizations each should have a role to play and should be put in a proper place so as to gradually establish a system of leadership that separates the functions of the party and government. Party leaders at various levels, including the general secretary of the Hungarian Communist Party Central Committee, are now trying their best not to hold concurrently primary administrative posts. Now in Hungary, party resolutions have no binding force on nonparty organizations and party organizations are not allowed to interfere in nonparty organizations by simple administrative means. The functions of government and economic organizations should not be replaced by those of the party. Of course, this does not mean that party leadership is weakened. Party leadership mainly finds expression in mapping out major policies, strengthening political work, and educating party members to play an exemplary role in work so as to ensure the realization of the party's program.

"Socialism can be built only in the long course of reform." This is the main point that Hungary has come to realize in its long practice of reform. It is believed that Hungary's current political structure still cannot meet the needs of its economic development and the reform must be carried out in depth. This completely accords with the tenets of Marxism. In 1847, Marx pointed out: Socialism is not a thing that has been prepared beforehand, it must develop in practice step by step. It is predicted that Hungary's socialist course will certainly make progress continuously in the course of reform.

RENMIN RIBAO CONDEMNS SOUTH AFRICAN AUTHORITIES

HK260938 Beijing RENMIN RIBAO in Chinese 23 Aug 86 p 6

["International Jottings" by Ru Sheng: "A Tiger With a Necklace of Beads"]

[Text] According to an AFP report, South African Finance Minister De Plessis announced on 20 August that the South African authorities will allocate $1.2 million to aid the families of those arrested under the state of emergency. This is really an expression of false kindness, just like a "tiger wearing a necklace of beads!"

Anybody knows that it is a result of the apartheid policy and the suppressive measures adopted by the South African authorities that thousands upon thousands of South African families have been thrown into misery and distress. Since the emergency act was put into effect in June this year, the South African authorities have arrested or killed large numbers of black people, creating innumerable bloodstained tragedies. No wonder some people have likened today's South Africa to a "big jail." Nobody can ever believe that the South African authorities, which are pursuing the policy of apartheid, can be kind to the families of the "prisoners."

Just as expected, fraud was soon exposed by itself. The same minister of finance, who had just announced the allocation of funds to "aid" the families of the victims, soon decided to add $7 million to police funds in order to strengthen the control and suppression of black people and in order to arrest or kill more people and make more families suffer. This shows that a tiger is still a tiger even when it wears a necklace of beads.

IRANIAN OIL MINISTER ARRIVES IN BEIJING

OW280640 Beijing XINHUA in English 0626 GMT 28 Aug 86

[Text] Beijing, August 28 (XINHUA) -- Iranian Minister of Oil Gholam Reza Aqazadeh arrived here this morning for a visit to China.

He was greeted at the airport by Chinese Minister of Petroleum Industry Wang Tao.

ZHAO ZIYANG RECEIVES LESOTHO AMBASSADOR

OW271206 Beijing XINHUA in English 1151 GMT 27 Aug 86

[Text] Beijing, August 27 (XINHUA) -- Chinese Premier Zhao Ziyang met with Chaka Ntsane, the first ambassador of the Kingdom of Lesotho to China, here today.

NPC STANDING COMMITTEE OPENS 17TH SESSION

OW271156 Beijing XINHUA in English 1125 GMT 27 Aug 86

[Text] Beijing, August 27 (XINHUA) -- The 17th Session of the Sixth National People's Congress Standing Committee opened here today at the Great Hall of the People.

Delegates heard reports on "Regulations Governing Offences Against Public Order (Revised Draft)," the "Regulations on Diplomatic Privileges and Immunities (Draft)," and the "Border Quarantine Law (Draft)."

In addition, the "Enterprise Bankruptcy Law (Draft)," and the "Law and Post and Communications (Draft)," were heard.

Consular conventions with Hungrary and Democratic Germany were submitted for approval at the session.

The session will also discuss changes in the re-election time of the local congresses. According to laws on the local people's congresses and governments, the people's congresses at county and township levels should re-elected before 1987.

During the ten-day session, Zhao Dongwan, minister of labor and personnel, will give a report on the labor system reform.

Peng Zhen Presides

OW272200 Beijing XINHUA Domestic Service in Chinese 1205 GMT 27 Aug 86

[Text] Beijing, 27 Aug (XINHUA) -- The 17th Session of the 6th National People's Congress Standing Committee began at the Great Hall of the People this afternoon. Chairman Peng Zhen presided over this afternoon's plenary session.

Wang Hanbin, secretary general of the NPC Standing Committee, explained the session's draft agenda at the beginning of the meeting; the Standing Committee members adopted the draft agenda. According to the agenda, the 17th session will examine and discuss "Regulations of the People's Republic of China Governing Offenses Against Public Order (Revised Draft)," "Regulations of the People's Republic of China on Diplomatic Privileges and Immunities (Draft)," and "The Enterprise Bankruptcy Law of the People's Republic of China (Draft)." The session will hear explanations of "The Border Quarantine Law of the People's Republic of China (Draft)" and "The Law on Posts and Communications of the People's Republic of China (Draft)." The session will also examine and discuss a "Decision of the NPC Standing Committee on the Reelection Date for County and Township People's Congresses (Draft)" and some overseas visits.

The revised draft of the "Regulations of the People's Republic of China Governing Offenses Against Public Order" has been examined and discussed by several previous Standing Committee sessions and further revised by the departments concerned in accordance with the Standing Committee members' opinions. Xiang Chunyi, vice chairman of the NPC Law Committee, today explained the further revision.

At the meeting, Vice Chairman Xiang Chunyi and Song Rufen, vice chairman of the NPC Law Committee [as received], reported respectively on the results of the NPC Law Committee's examination of the draft "Regulations on Diplomatic Privileges and Immunities", and the draft "Enterprise Bankruptcy Law."

Premier Zhao Ziyang submitted to the NPC Standing Committee session State Council proposals requesting the session deliberate over "The Border Quarantine Law of the People's Republic of China (Draft)" and "The Law on Posts and Communications of the People's Republic of China (Draft)." Entrusted by the State Council, Vice Minister of Public Health He Jiesheng and Minister of Posts and Telecommunications Yang Taifang explained the two draft laws respectively.

Premier Zhao Ziyang also submitted State Council proposals to the Standing Committee session requesting it deliberate over "The Consular Treaty Between the People's Republic of China and the Hungarian People's Republic" and "The Consular Treaty Between the People's Republic of China and the German Democratic Republic." Vice Foreign Minister Qian Qichen, entrusted by the State Council, explained the conclusion of the two treaties and their main points.

Vice Chairman Chen Pixian, Geng Biao, Peng Chong, Zhu Xuefan, Ngapoi Ngawang Jigme, Seypidin Aze, Zhou Gucheng, Yan Jici, Rong Yiren, Ye Fei, Liao Hansheng, and Huang Hua attended the meeting. State Councillor Wang Bingqian, President of the Supreme People's Court Zheng Tianxiang, and Procurator General of the Supreme People's Procuratorate Yang Yichen attended the meeting as nonvoting delegates.

Discussion on Diplomatic Privilege

OW271248 Beijing XINHUA in English 1226 GMT 27 Aug 86

[Text] Beijing, August 27 (XINHUA) -- Diplomatic representatives of foreign countries must get permission from the Chinese Government and go through necessary procedures if they ship into China guns and ammunition for their own use. This is stipulated in China's revised draft of the regulations on diplomatic privileges and immunities submitted to the ongoing 17th Session of the National People's Congress (NPC) Standing Committee which opened here today.

Speaking of the results of the deliberation and revision of the draft, Vice-Chairman of the NPC Law Committee Xiang Chunyi, said diplomatic representatives must not use their embassies or residences of embassy staff for purposes not in comformity with their posts in the embassy.

Making clear the relations between the Chinese regulations and the Vienna Convention on Diplomatic Regulations, he said the revised draft stipulated that if the international conventions which China has concluded or joined have specific regulations, these regulations will be followed, with the exception of the provisions on which China has made reservations. The revised draft also stipulates that embassy personnel have freedom of movement and travel except in areas where the Chinese Government has prohibited or restricted their entry. According to the regulations diplomatic representatives will not enjoy immunity from taxation on private income earned within Chinese territory.

Bankruptcy Legislation Amended

HK280810 Hong Kong AFP in English 0737 GMT 28 Aug 86

[By Bernard Degioanni]

[Text] Beijing, Aug 28 (AFP) -- The National People's Congress, China's parliament, has amended an unprecedented bill covering bankrupticies so that only state-owned companies can go under, Chinese newspapers said Thursday.

The legislation, in the works for more than a year, is to be adopted during the current 17th session of the congress, observers say. Foreign experts said Wednesday's amendment under which only state companies could be declared bankrupt represents "a retreat by comparison to initial plans."

The bill comes on the heels of Communist China's first bankruptcy, declared August 3 by a company in the northeastern city of Shenyang on the basis of "regulations" being tested in four cities. The test rules call for all Chinese companies -- both state-run and collectives -- to submit a balance sheet if their deficits exceed 80 per cent of fixed assets.

Chinese press reports said this percentage would be modified in the legislation, although they did not specify by how much. "A large number of enterprises in China were short of liquid capital and were heavily dependent on bank loans," said Song Rufen, vice chairman of the NPC's Legislative Affairs Commission, explaining the change in the percentage.

Foreign experts say the decision to limit application of the bankruptcy law to state companies was promoted by the high number of collective enterprises whose deficits exceeded 80 per cent of fixed assets. Collective enterprises, like the firm that failed in Shenyang, are owned either by local authorities or by work units. According to official statistics more than 20 per cent of Chinese companies are now operating in the red, although foreign experts estimate the percentage is much higher.

The legislation now before the National People's Congress also stipulates that Sino-foreign joint ventures and wholly foreign-owned companies will not be affected by the bankruptcy law. Foreign experts say this step is necessary in order not to upset investors or foreign partners who have encountered several cash-flow problems in existing joint-venture undertakings.

Official statistics show that foreign investment in China dropped 20 per cent in the first six months of this year compared with the same period last year. Western experts say the changes to the legislation signal that the Shenyang bankruptcy was both a political decision and a necessary evil for the Chinese economy.

"It serves to prove to foreign partners in China that in the context of ongoing economic reforms, the Chinese state may refuse to be the eternal source of funds for badly managed companies," added a Western expert.

But many diplomats think this "retreat" also signifies that many Chinese officials are hostile to the rigorous application of a law that implies laying off workers.

Mr. Song had been quoted in the Chinese news media as saying the amendments concerned "controversial points" of the legislation. China's current policy of linking salaries to production is still meeting with stiff resistance.

Several managers, who are also senior members of the communist party, resent the arrival of young technocrats whose work methods show up their inability to manage an enterprise, experts say.

According to a survey released Wednesday, nearly 93 per cent of Chinese believe that ongoing economic reforms are essential for the country, while 71.8 per cent of workers favor lay-offs if a company has more employees than it needs.

New Border Quarantine Law

OW271447 Beijing XINHUA in English 1419 GMT 27 Aug 86

[Text] Beijing, August 27 (XINHUA) -- A draft border quarantine law was submitted for deliberation today to the 17th Meeting of the Chinese National People's Congress (NPC) Standing Committee, which opened here this afternoon. The new law is to replace state quarantine regulations issued at the end of 1957.

With the development of science, technology and preventative medicine, the change of situation regarding diseases both at home and abroad an the increase of China's contacts with other countries and areas, China's quarantine regulations have become obsolete, according to Vice-minister of Public Health He Jiesheng, who made an explanation of the draft at today's meeting.

China formally recognized the international health regulations in 1979. Under the new border quarantine law, which is divided into six chapters containing 27 articles, all people and transport entering or leaving China shall be subjected to quarantine inspection for bubonic plague, cholera and yellow fever.

Certain other infectious diseases specified by the Ministry of Public Health will be watched for at border posts, the new law says.

New Postal Service Law

OW271439 Beijing XINHUA in English 1330 GMT 27 Aug 86

[Text] Beijing, August 27 (XINHUA) -- A draft law on the postal service was submitted today to the Standing Committee of China's National People's Congress (NPC) for deliberation. Yang Taifang, minister of posts and telecommunications, explained the draft to the 17th Meeting of the NPC Standing Committee, which opened here today.

Consisting of 55 articles in 10 chapters, the proposed law covers the rights and obligations of postal agencies and their customers, the duties of the postal organizations and their related departments and the relations between them, and stipulations to be observed by the staff of the postal agencies and the public.

In accordance with China's Constitution, Yang said, the draft law protects the citizens' legitimate right to communicate. The draft law regulates that, unless otherwise stipulated in other laws, no organization or individual may examine or distrain mails. Postal organizations must not reveal information regarding services.

Postal officials who illegally open, hide or destroy mail, or are guilty of graft or embezzlement, or reveal the secrets of the state or customers, and those who cause great loss through dereliction of duty, will be punished according to the law, Yang said.

GEOLOGIST ASSERTS SAFETY OF DAYA BAY SITE

HK271055 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0711 GMT 19 Aug 86

[Text] A Chinese geologist says that the Day Bay Nuclear Power Plant is being built on a safe granite site. The geological conditions there will not pose potential dangers to the construction of a nuclear power plant.

Not long ago it was being said abroad that the Daya Bay Nuclear Power Plant is situated in a 250-km-wide seismic belt. For this reason, recently Chinese geologists have once again made deliberated on the safety of the site chosen for the plant from a geological point of view.

Hu Haitao, a geologist who participated in the geological prospecting work of choosing the site for the Daya Bay Nuclear Power Plant, stated that the formulation circulating abroad that the Daya Bay Nuclear Power Plant is situated in a relatively mobile seismic belt is a conceptual mistake. The categorization of so-called seismic belts is based on consideration of the symbiotic links [cheng sheng lian xi 2052 3932 5114 4762] between earthquakes and tectonic belts and it indicates the laws governing the distribution of the time, space, and magnitude of an earthquake when it erupts. Of the seismic belts dispersed over the coastal areas of southeast China, each is just 10 to 30 km wide. The Zhenghe-Haifeng seismic belt, where the Daya Bay Nuclear Power Plant is situated, has the lowest earthquake level among its neighboring seismic belts. The biggest recorded earthquake in the best was only of 5.5 magnitude. Moreover, even in the area of a seismic belt there are also relatively stable "safe islands."

Hu Haitao said: It has been ascertained by using aeromagnetic extension technology and technology for detecting inversion waves of natural earthquakes that ther is no deep and large rift passing near the are of the site for the plant. The results of the microseismic detecting network show that slight shocks in the area are rare. With this plus water supply, environmental protection, and other conditions, the site is indeed a rare one for a nuclear power plant.

Eleven geological, seismic, and remote sensing production and scientific research units participated in the prospecting work for the site for a nuclear power plant in Daya Bay and its surroundings. They employed many advanced technologies and the level of their geological studies is unprecedentedly high, said Hu Haitao.

Chinese geologists agree that the seismological and geological conditions of Daya Bay are far superior to those of Taiwan Province, Japan, and the American West Coast. With its scientific and technological level, China can fully guarantee the safety of the Daya Bay Nuclear Power Plant.

NUCLEAR INDUSTRY MINISTER AFFIRMS DAYA BAY PLANS

HK270317 Hong Kong SOUTH CHINA MORNING POST in English 27 Aug 86 p 2

[By Albert Chan]

[Text] China's Nuclear Industry Minister, Mr. Jiang Xianxiong, yesterday stressed again his country's determination to go ahead with the Daya Bay nuclear project objections from the public.

Mr. Jiang was apparently referring to a Hong Kong antinuclear lobby group which had just returned from a fact-finding trip to Beijing and figured in a near confrontation with the Chinese authorities.

He repeated Beijing's position on the controversial project to a group of Urban Councillors and district board members who were in the Chinese capital on a nuclear fact-finding trip.

The 11 delegates, calling themselves "Daya Bay -- the Scientific Approach Group," were led by Urban Councillor Mr. Kwan Lim-ho.

They had been labelled in Hong Kong as the "counter-force" to the high-profile anti-nuclear activists led by Mr. Fung Chi-wood and other pressure groups.

When Mr. Fung's group was in Beijing last week, Mr. Jiang did not come out to meet them. Instead, they were briefed by several of his middle-ranking staff.

This was regarded by some observers as a slap in the face. Mr. Jiang's statement yesterday was another indication that objections from Hong Kong and the one million signatures delivered by Mr. Fung were not going to affect the project in any way.

Many consider the project already a fait accompli although the final contracts have not yet been signed.

"The Chinese Government will treat the matter with a scientific and practical attitude. It will not halt the Daya Bay project because of objections from some people." Mr. Jiang was quoted by the CHINA NEWS SERVICE as saying.

Mr. Jiang also revealed to the visiting Hong Kong group that China's other nuclear plant, which is under construction in Qinshan, near Shanghai, will be expanded from the present plan of one 300 megawatt reactor to four more reactors.

"Work on the Qinshan plant started in 1983 and will be completed in 1989 while the Daya Bay plant will not be completed until 1992. The experience gained in Qinshan will therefore benefit the Daya Bay project," said Mr. Jiang.

The Hong Kong delegates also met Mr Shi Guangchang, a senior official of the National Nuclear Safety Administration, who commented on the controversial Harwell Report on accident assessment which was compiled by experts of the United Kingdom Atomic Energy Authority.

This report was commissioned by the Hong Kong Government to determine the risks that the Daya Bay plant posed to Hong Kong. Its findings had caused concern among top Government officials here.

Mr Shi yesterday said that while China may use such reports as the Harwell as reference, they had no legal status.

"The safety assessment report which is now being prepared is based on international safety regulations with the blessing of the International Atomic Energy Agency. It is therefore the most authoritative," said Mr Shi.

"Reports compiled by other countries do not constitute a legal document."

The Hong Kong Civic Association yesterday called for the joint venture company building the Daya Bay plant to shift the station further away from Hong Kong to allay local people's fears.

At yesterday's meeting, association chairman Mr Hilton Cheong-Leen said the group had decided to send a letter to Chinese Prime Minister Mr Zhao Ziyang asking that the plant be relocated.

He added that although changing the location of the project from Da Keng to a area east of Hu Tou Jiao might not be ideal, it was a proposal worth considering.

PLA AIR FORCE UNITS VIEW SOLDIERS' GAINS, LOSSES

OW280528 Beijing Domestic Service in Mandarin 2130 GMT 25 Aug 86

[Text] PLA Air Force units carried out education in ideals while conducting extensive discussions on the correct attitude towards soldiers' gains and losses, thereby enhancing revolutionary soldiers' sense of honor and responsibility.

In view of the fact that commanders and fighters at basic-level units tend to believe that serving in the Army caused them to suffer disadvantages, the Air Force party commitee launched extensive discussions about soldiers' gains and losses. In the course of the discussion the party committee guided cadres and fighters to tackle specific problems under the guidance of Marxist theories and solved problems in their outlooks on life. It also mobilized cadres and fighters to think of martyrs and learn from heroes in order to foster a correct view of gains and losses. Many comrades realized after the discussion that being soldiers and suffering disadvantages is an honor if we bear in mind the purpose of the Army -- to wholeheartedly serve the people -- that the disadvantages are relative if the interests of the party and the people are considered; and that they are temporary if the progress of the motherland's four modernizations are taken into consideration.

Pilots of a certain Air Force regiment of the Shenyang Military Region said: Flying in the sky, we need landmarks on earth as reference points. Mistaking landmarks, we would go astray or be lost. It is the same with one's view of gains and losses. If we make wrong comparisons, we will not reach a correct conclusion.

RENMIN RIBAO ON IDEOLOGICAL CULTURAL QUESTIONS

HK170501 Beijing RENMIN RIBAO in Chinese 11 Aug 86 p 7

[Article by Zhu Houze: "Several Points To Ponder About Ideological and Cultural Questions" -- "Slightly abridged version reproduced from ZHONGGUO WENHUA BAO [CHINESE CULTURAL NEWS], with subheads added by RENMIN RIBAO editor"]

[Text] Cultural Questions Need To Be Pondered

An important theme in our political life in 1986 is how to strengthen the building of spiritual civilization. Cultural work as an important component part of the building of spiritual civilization is a subject of heated discussions in all parts of China, and a "craze for culture" is rising throughout the nation. We may think carefully about the high tide of cultural studies taking place in 1986. Now, some young comrades love to use the word "introspection." We should really introspect seriously the high tide in the cultural field, ponder China's ideological and cultural conditions, and systematically review the course of their development, as well as the overall situation world cultural development and the progress of some important regions, countries, or nationalities in the development of ideology and culture. Then we should make some comparisons which will be advantageous to "the long-term and steady development of cultural work."

Some comrades say, since the 3d Plenary Session of the 11th Central Committee, economic reform has been going on for 7 years, and the stage of laying a foundation for an economic structure with Chinese characteristics is right in the period of the Seventh "5-Year Plan." The reform under way has proposed changes in cultural concepts, and further reform requires us to make a breakthrough in cultural concepts; otherwise, it will be impossible to make further progress. Developments in the economy and technology have raised the question of upgrading our people's cultural qualities. The more so should we upgrade the cultural qualities of the entire nation if we are to further realize our general target and goal for the year 2000. There is some sense in their words.

The year 1986 has witnessed the 30th anniversary of the proposal of the "double-hundred" principle; the 20th anniversary of the publication of the "16 May circular", and the 10th anniversary of the end of the "Cultural Revolution." It seems to be absurd to put these three events together, but that was the reality of life, and we have all gone through them. This has enabled us to see that life is not as straight as Beijing's Changan Street, and tortuous. But this tortuous path has provided us with confidence, knowing that truth will always overcome falsehood and people will eventually emancipate themselves from some kind of blindness; and through practice and introspeciton, they will become conscious of the truth and come to maturity. Therefore, to my mind, grouping the three "anniversaries" together cannot be too bad. Moreover, as we are facing a situation of opening up to the world in an all-round way, the mutual contacts and exchanges of different culturas involve certain frictions (if the word "conflict" is to be avoided). Therefore, pondering cultural questions in an all-round way is necessary. [paragraph continues]

In the course of such pondering, introspection, and retrospection, can we not sum up some experiences and lessons of how the proletarian party and the people's government have practised ideological and cultural work? It has been close to 7 decades since the October Revolution took place, and 37 years have passed since 1949; actually our party had partial control of political power earlier than that. Therefore, we should look beyond 1949, and ponder a longer period rather than that since 1949. Back in the days of the Red Regime in the revolutionary base areas, our party was involved in the handling of ideological and cultural questions. Our party is rich in the experiences and lessons of practising leadership over ideological and cultural work. According to a report in RENMIN RIBAO OVERSEAS EDITION, Comrade Wang Meng says that, regarding issues in artistic creation, the method of administrative intervention should be generally avoided. This statement of his has summed up our experiences. In the past, the method of administrative intervention was carried out far enough; however, successful experiences of such intervention were few. The Ministry of Culture has expressed its hope for long-term and steady development of cultural work. To achieve this, I think, doing some retrospection, summing up, and studies on the historical experiences and lessons in our ideological and cultural fields and to make an appropriate evaluation of them might be of some help. This is the first point I want to make.

Generosity, Leniency, and Relaxation

The second point is: All trades and professions should develop as well as culture until our society is full of vigor and vitality. But one thing should draw our attention, namely; no conclusion should be drawn in haste regarding different views and opinions, as well as concepts that do not conform to traditional things; at the same time, support should be given to active exploration, opening up, and blazing new trails. If no attention is paid to this issue, ideological and cultural development as well as development in other fields will be unthinkable. A "RENMIN RIBAO" article has touched on generosity, leniency, and relaxation. These three aspects have posed a question, namely, can we adopt a more lenient attitude regarding some ideological concepts alien to our original ones? Can we be a bit more generous regarding those comrades who hold different views? Can we make the whole atmosphere and environment a bit more relaxed and flexible? Anything too hard is liable to break, since it cannot withstand a pounding. However, pounding is to be found everywhere at any time in social life, coming from all directions. A little elasticity and softness will be favorable for development as well as to resist "pounding." Such elasticity and softness will help us in handling ideological and cultural questions as well as economic and political ones, and will be as useful in handling minor issues such as family problems, relations between man and wife, father and son, and mother and daughter as in dealing with matters of great importance of the state and nationality relations. Therefore, on this issue, we can get better.

Survival of the Fittest Should Be Practised, Competition Should Be Permitted, and Emulation Should Be Encouraged

There must be "stars" to play leading roles, and the cream of talent should be given bold support if a society is to be filled with vitality and a trade is to make progress full of life and spirit. Without such stars, it will be very difficult to bring along the rank and file. There was a saying a few years back, which I have all along appreciated, namely "there's no ceiling upward, and no guarantee for a bottom line." It is a great pity that it has never been fully put into practice. [paragraph continues]

In any undertaking, if there is a "ceiling upward", there will be no breakthrough and development, the cream of talent will never be whipped up, and "survival of the fittest" will not be practiced; if "a bottom line is guaranteed," "the inferior will never be replaced by means of selection," and no professions and trades in society will be developed. Following the law of "survival of the fittest," protecting competition, and promoting emulation will give a break to the cream of talent, and help them make a big leap forward, which, I think, is a very important condition for the development of our undertakings. The general mental state at present is a fear of either breakthrough or replacement. And a constant fear is that of the emergence of the cream of talent, such a mental state, is distressing. If no famous stars of the performing arts should emerge, how could a dramatic genre stand on its own feet? If no great scholars should emerge in a branch of science, how could there be some breakthrough in the development of research work? However, for a considerably long period of time, we want to keep the ceiling, while also ensuring the bottom line, and nail down both ends. I am not quite sure whether this mentality has something to do with the doctrine of the mean in our traditional culture; the whole thing is worth our pondering. Concerning ideological and cultural questions, I am all for "no ceiling upward, and no guarantee for a bottom line," and promoting the emergence of the cream of talent. Actors may go to every part of the world to present their performances. Likewise, a conductor may go everywhere, as well as an orchestra, to give performances. Now some of our orchestras play 3 months at home and sit idle for the rest of the year. if they are invited abroad, why should they not go? I am all for opening up a bit more. Besides, we should consciously bring up a large number of scientists, technicians, writers, artists, engineers, designers, professors, scholars and personalities of all descriptions active in the world arena. China's sports have developed quite rapidly in recent years. Does this not have something to do with the principle of "no ceiling upward, no guarantee for a bottom line"? It is necessary to make the cream of all trades and professions and all fields come to the fore. We should not fear talent standing out; the problem today is not their standing out, but their failure to emerge at all.

Survival of the fittest is one side of the problem, and replacement of the inferior is the other. When the inferior are to be replaced, pressure will be felt. We should not let people always lie there comfortably and drift along aimlessly; society will never make progress in this way. We have always held those slow walkers in our arms, lest they should catch cold. The more we do so, the weaker they become. For social stability, some essential guarantees for a living are still necessary. But the fundamental thing is that we must promote social development, survival of the fittest must be followed, competition should be permitted, and emulation should be encouraged. Otherwise, our NPC Standing Committee would not have discussed the enterprise bankruptcy law. if you acknowledge economic competition, you have to permit bankruptcy. Only when the bankruptcy system is stipulated will it be possible to fill the enterprises with vitality. And we should put the enterprise into the markets, both the international and the domestic markets, and let them participate in economic competition and emulation, forcing them to make progress through economic compulsion. This is indispensible. Of course, different tiers and problems are involved in the survival of the fittest. For example, regarding technical knowhow in science and technology, we have adopted the measures of setting up a technology market, with compensated technological transfer. But different measures have been adopted in basic research, where the fund system is implemented; in some important scientific research projects, the method of inviting bidding at home and abroad is adopted. The measures are different; but the general principle is to give them a free hand, and to encourage opening up and blazing new trails.

Regarding the Cultural Issue, It Is Necessary To See Its Stability as Well as Its Change

The third point is the need to appropriately handle the relation between discovering national things and accepting foreign things. Our Chinese nation has its own fine and brilliant ancient culture, and a nihilistic attitude toward our national cultural tradition is wrong. On the other hand, scientific and truth-seeking evaluation should be made of these things: The Hans in particular, who number close to 1 billion. In the course of long-term historical development, the mutual ties, absorption, and reference between the Hans and other nationalities and foreign countries resulted in their own fine cultural heritage. Therefore, in realizing the four modernizations and marching toward the 21st century, the Hans should pay special attention to appropriately and scientifically evaluating their own culture. What we mean here is culture in the broad sense, not literature and art specifically. We should neither adopt a nihilistic attitude, negating everything, nor fail to see the fact that we have lagged behind in the course of historical progress as well as behind the cultural origins of other regions and certain fine things in their development. If we should fail to absorb these things, it would be unfavorable to our modernization. The art of movable type printing has always been our pride, but today we should honestly admit that our printing technique is backward. Here, I should like to say as a joke, we are not bringing "exports into the domestic market." The art of movable type printing spread to Europe several centuries ago, but now the art of electronic printing has spread the other way round. If we should fail to absorb this, but rather, be intoxicated with our pride at the effects of the type-printing art on the renaissance in Europe, and know nothing but how to excavate historical relics for exhibitions, that would not be enough. We should make comparisons on a contemporary basis, and find out in what respects we have lagged behind, and take over advanced foreign things in a hurry. I always think that, regarding cultural questions, we should view the national and regional stability as well as the changes with the times. This issue should not be treated too rigidly, neither should we go to an extreme and get into a dead end. It is wrong to deny that in its long course of historical development, there is some long-standing and relative stability in the culture of each region and nation; but on the other hand, it changes with the times, and each culture itself is developing and changing. Failure to see such changes means not conforming to historical facts. Therefore, in the relations of all nationalities in China, and in our relations with other foreign nations, we should appropriately attach attention to this issue. We should not regard one single model of things as absolute. Our present cultural elements do have factors impeding our progress, and some changes and reforms should be conducted regarding certain cultural concepts. It would be dangerous to fail to see this. Many things in our concepts seem to be the absolute truth, passed down from ancient items, but it does no harm to express our doubts about them, study them in the new conditions, and find out whether they are true.

The Need To Bring Up and Select Managers of Cultural Undertakings

Now we are facing the problem of managing cultural undertakings. Culture is a noble cause. However, culture needs certain material means for its circulation, to be accessible to the masses. Today, some spiritual products are operated in the form of commodity circulation. So we cannot but take management into consideration. At the forum for directors of propaganda departments, Comrade Wang Meng said: The laws with respect to the two sides of cultural undertakings should be respected; on the one hand, the laws governing art should be respected, on the other, culture and art which need some material means to be circulated among the people involve price evaluating and accounting. [paragraph continues]

Therefore, we can put it this way: The cultural system needs to bring up and select a number of managers for cultural undertakings. Otherwise, things will not go well. Poets alone, who have passion and literary grace, may turn out good poems and prose; but without management, we will fail to do a good job in running cultural undertakings. It is said that Shanghai is doing quite well in its publishing undertaking, with no deficits but some accumulation, and profits handed over to the state exceeded 10 million yuan on an annual basis. I said when I was in Wuhan that a piece of fu [descriptive prose interspersed with verse] is needed, namely, "Fu on Commodities," or "In Praise of Merchants" should also be written. Whenever brokers are mentioned, people shake their heads, believing they are good for nothing; but that is not true. Socialist culture and art undertakings need to be developed, and attention should be attached to management. A number of talented people that are good at mangement are needed. Shall we study how to do a good job in the management of socialist cultural undertakings and the bringing up and selection of qualified people in management?

Dealing With Non-Marxist Academic Results With a Marxist Attitude

Another point I should like to deal with is that the study of theories on culture as well as on literature and art should be stepped up. Meanwhile, comprehensive cultural issues need to be seriously explored. Marxism has made a whole series of studies on cultural questions. There are some basic theoretical questions in this respect, which I think we should study together, including the party's principles and policies regarding ideological and cultural work in history, and the handling of some cultural incidents. We can collect some relevant materials for our studies; this is necessary for doing a better job in leading cultural work. Aside from Marxist basic tenets and our party's historical experiences, should we also come into contact with the theories on cultural work of other nations?

Here I should like to put forward a question to discuss with you. Marxist theories were "minted" with non-Marxist materials. Was this a historical fact? Before Marx and Engels formed their doctrine, Marxism had never existed in this world. According to Lenin, Marxism has three origins, one is German classical philosophy, one is French socialist ideas, and the other is the classical political economics of Great Britain; and none of them is Marxist. When Marx was creating his doctrine, all the materials he collected were non-Marxist. Here a question is posed: Today, things are different from the times of Marx and Engels. We now have Marxism, which Marxist classical writers "minted" from the long-standing ideological and cultural heritage of the whole world as well as from non-Marxist materials; and we already have a well-organized Marxist theory which has its own integral structure. Under such circumstances, how should we deal with the ideological and cultural heritage of mankind? One attitude is: As Marx and Engels did a good job of it for us, all we have to do is to take over the best and outstanding parts of the doctrine. They formed the Marxist system through their scientific "minting" and "tempering," and we might as well continue within this system. This refers to the Marxist system itself. Beyond the Marxist system, the development of philosophy, social sciences, literature and art, as well as natural sciences, technology and science, economics and politics, and changes in social life -- all this has formed into new doctrines, ideas, theories, and concepts of all kinds, which have further stimulated new exploration. Therefore, what attitude whould we adopt toward it?

I suggest the comrades in the cultural departments also ponder this question. If we follow the method and example of Marxist classical writers we should not adopt a self-enclosed attitude and rest content with circulating within the existing Marxist framework, but instead carry out Marxist analysis and evaluation of the world's new development over the past century and more and the six decades and more since Lenin passed away by applying the Marxist stand, viewpoint, and method as a weapon to understand the world.

We should closely follow the footsteps of the times and practice, listen to the calls of the realities of life, and be good at absorbing ideological nutrition in new practice in order to ensure that this scientific theoretical system can always maintain its vitality and vigor. We should be good at analyzing even those things permeated with the prejudices of the exploiting classes. We should be good at taking them over for our own purposes if there is something fine in them. In fact, we are now facing this question: What attitude should Marxists adopt to non-Marxist academic results, as well as to the new developments and new problems emerging in the realities of life? This is a topic raised by the times, as well as a basic topic put forward by Marxist theory in the course of its own development.

Everything Should Be Based on Upgrading Cultural Qualities

Comrade Wang Meng mentioned the question of upgrading the contingent of culture and art. Regarding our artists and writers as well as our leading comrades in cultural and artistic work, how can we make them all improve their accomplishments in Marxist basic tenets, while adopting an attitude conforming to Marxism in dealing with those non-Marxist academic and cultural accomplishments? At a meeting in Shanghai, Comrade Xia Yan said: Compared with the older generation (referring to Lu Xun and Guo Moruo), his generation lags far behind in academic accomplishments and knowledge. Comrade Xia Yan was rather modest. I think, judging ourselves by using his words as a criterion, is it not true that our contemporary writers, art performers and theoretical workers are far from good enough in this respect? Now we have many young comrades with outstanding talent; but there is a problem, namely the entire cultural foundation is far from being sufficiently deep and broad. Their development will be restricted when they develop to a certain extent, and will then stay out. Of course, we do not want to exaggerate this foundation and make it sound mysterious, but in the course of development, leading departments of cultural work should help these comrades gradually deepen and broaden their own foundations, including their attainment in theory, culture, and modern scientific knowledge. In the ideological realm, we sometimes speak of changes in ideological concept department from cultural improvement, and the results were not so good. The "Great Cultural Revolution" was an abnormal as well as an extreme phenomenon, which discarded the most basic culture, while people were studying "communism" every day and shouting "slogans" every day. And the results are clear to all. Now we are talking about putting right the party style and social atmosphere, establishing the communist world outlook, and upgrading moral sentiments, but all this should be based on upgrading the cultural qualities of our party members, cadres, and the entire nation. If we fail to proceed from the qualities of the whole of education, science, and culture, but instead pursue changes in ideological concept in isolation, or talk about moral issues in the abstract, I am afraid our problems will not be solved. We do not mean to abolish moral education, but to link it with intellectual education. China's education has a tradition of combining moral and intellectual upbringing into one. Now we should also merge political and ideological education, and education in lofty ideals and morality with cultural education and cultural life. Is it not true that Comrade Xiaoping has, of late, repeatedly said that the question of legal system is fundamentally one of education? Therefore, cultural questions are a major issue. We should broaden our vision, and think further regarding the question of how to upgrade the cultural qualities of the entire nation. Let us start with small culture then spread to overall culture, and again push forward the all-round development of the whole of society, politics, and the economy with the overall culture.

LIAOWANG ENCOURAGES CREATIVE RESEARCH

HK121520 Beijing LIAOWANG in Chinese No 30, 28 Jul 86 p 4

["LIAOWANG Forum" column by Dong Xinming: "Encourage and Support Creative Research in the Theoretical Field"]

[Text] The ongoing all-round reform and the modernization program are great pioneering projects. The new things put into practice require a breakthrough to be made in theories. Regarding the party, as a whole we have achieved remarkable successes in theoretical work since the 3d Plenary Session of the 11th CPC Central Committee. Our party Central Committee in particular has adhered to the ideological line of seeking truth from facts, integrated the universal truth of Marxism with the concrete practice of China's reform and building of socialist modernization, extensively absorbed the research achievements of theoretical workers, promptly proposed many important and new ideas, theses, and conclusions, energetically guided our modernization program and reform, and enriched and developed Marxism.

Viewed from the practical needs and the rich and varied realities of life, our theoretical research work could definitely be considered lacking in adaptability. In order to suit theories to the needs of practice, it is necessary to fully arouse the initiative and creativity of the broad ranks of theoretical workers and further emancipate the "productive forces" in the theoretical field. We now have a large contingent of theoretical workers. In recent years, this contingent has made outstanding achievements in the debate on the criteria for truth, the discussion on production purposes, and the study of socialist commodity economy, spiritual civilization, and democracy and the legal system. On the whole, the quality of this contingent is good and it is a contingent with combat effectivensss. Therefore, the question lies in creating various conditions, removing all obstacles, and giving full play to the combat effectiveness of this contingent rather than reorganizing the ranks of theoretical workers.

What are the obstacles that hamper the development of the productive forces in the theoretical field? The question is related to the problem of work and understanding. Regarding the leading cadres, they should fully understand and trust the theoretical workers.

While talking about the backwardness of our theories 7 years ago, Comrade Deng Xiaoping said: "It should be pointed out that the responsibility for our present state of backwardness lies in the first place with the Central Committee and the party committees at other levels, because they have not used the proper methods in guiding ideological and theoretical work, have set up too many forbidden zones, and have failed to give adequate attention or support to such work." Today, the situation has changed notably. Nevertheless, the problem must be further resolved in our specific work. It should be emphatically pointed out that the understanding and trust of leading cadres are actually immense encouragement and support for theoretical workers. This is the premise for further emancipating the "productive forces" in the theoretical field and for stimulating the initiative of the broad ranks of theoretical workers.

Comrade Deng Xiaoping also pointed out: "In the study and discussion of ideological and theoretical questions, we must resolutely follow the policy of 'letting a hundred flowers blossom and a hundred schools of thought contend.'" The "double hundred policy" has seldom been earnestly implemented since it was raised 30 years ago. [paragraph continues]

The situation took a favorable turn after the CPC Central Committee reiterated the policy following the 3d Plenary Session of the 11th CPC Central Committee. However, there are still many outstanding problems. We should carefully think about the matter and find out why the policy couldn't be implemented properly. Why was the implementation affected? Viewed from the situation in the theoretical field, the following questions come to mind in regard to ideological understanding:

First, we must correctly understanding and deal with the defects and mistakes in theoretical research. As theoretical research work, particularly creative theoretical research work, is pioneering and exploratory work, mistakes are unavoidable. It is impossible to make no mistakes and to be absolutely correct at all times. Naturally, the mistakes in theoretical views, particularly those related to real life, may adversely influence the people and play a negative role in society. For this reason, both theoretical workers and leading cadres should adopt a serious and responsible attitude. We must make specific analyses, adopt a realistic attitude toward mistakes, and never deal with mistakes simplistically. We must allow people to make mistakes and also allow them to correct their mistakes. The mistakes made in theoretical research and exploration can only be corrected through further study and exploration. By allowing people to correct their mistakes, we mean to encourage them to further realize the truth and discard the mistakes in explorations.

Apart from correctly dealing with mistakes, it is necessary to correctly solve theoretical disputes. The right or wrong, truth or falsehood in theoretical research cannot be judged within a short period, nor can they be determined by any authoritarian. We can gradually seek unity of thought only through practice and through free discussions and contention among theoretical workers. The correct way is to allow contention and give guidance so that the disputes will be carried out in a healthy atmosphere and along the correct path.

Second, how should we correctly realize party leadership over theoretical work? It is beyond doubt that we should adhere to party leadership in carrying out theoretical work. The issue is for us to have a correct understanding about party leadership. According to the "leftist" point of view, leadership of the party organizations over theoretical work mainly meant elimination of the poisonous weeds. During the period, some people tried by every means to look for problems in the published articles. They prepared materials and launched one criticism after another in an attempt to settle the question of right and wrong in theoretical exploration by means of class struggle. This method of launching ideological struggle must be thoroughly changed.

In another case, some people tried to set the tone for theoretical research on certain complicated topics and called on others to deduce theory from this tone. They deemed it as party leadership over theoretical work. This method, which runs counter to the "double hundred policy" is an oversimplified manifestation of a lack of understanding about the arduousness and complex nature of theoretical exploration. If we continue to work in such a manner, our theoretical circles will only be able to produce empty, rigid, and dogmatic theories rather than create vigorous, scientific theories that can guide our practice.

The "double hundred policy" is the embodiment of socialist democracy in the field of theoretical rsearch. It conforms to the objective laws of theoretical research work and theoretical development. In exercising leadership over theoretical work, our party organizations should unswervingly implement the "double hundred policy," illuminate the course for theoretical workers, set requirements and create conditions for invigorating the ranks of theoretical workers, and bring forth achievements and qualified personnel, raher than act as referees. [paragraph continues]

As a matter of fact, adherence to the "double hundred policy" is energetic support for creative research in the theoretical field. The mentality of worrying whether the implementation of the "double hundred policy" will weaken party leadership should be changed

As far as the theoretical workers are concerned, they should bestir themselves. First, they should get rid of the fearful mentality. Since theoretical research is pioneering work, they should have courage and a dauntless spirit. Second, while conducting theoretical research, they should eliminate the scholarly methods that are divorced from practice and that evade reality. On the premise of adhering to the four basic principles, our theoretical work should cater to the needs of construction and reform and our theoretical workers should make due contributions to the creation of a new history in the great era.

ROLE OF OPEN PRESS IN STRUCTURAL REFORM

HK261115 Guangzhou NANFANG RIBAO in Chinese 19 Aug 86 p 2

[Article by Hu Jiwei: "Political Structural Reform as Seen From a Shekou Press Report on a Critical Article" -- This is a portion of Comrade Hu Jiwei's speech to Hunan provincial press circles last June. The title is given by NANFANG RIBAO editor]

[Text] Economy must be reformed and so must politics. If China's political structure is not reformed according to the requirement of a high degree of democracy, it will not be able to suit the need of China's economic structural reform.

Now, a letter carried in SHEKOU TONGXUN BAO [SHEKOU NEWS REPORT] on 28 February 1985 has been presented with a special-class national award for excellent news reporting. It pointed out that economic reforms call for political reforms, which in turn promote economic reforms. Entitled "A Word of Advice to Comrade Yuan Geng -- It Is Necessary To Lay Stress on Management," the letter was written by Comrade Zhen Mingni and was addressed to the secretary of the Shekou Industrial Zone CPC Committee. It was a critical letter in which a young man made a frank and bold criticism. This reflected the loyalty of our youth to the party and state and the love and respect the young man has for the highest-ranking leading comrade of the Shekou Industrial Zone. In this letter he was not only ready, and had the courage, to criticize the shortcomings and mistakes of the leading comrade but also put forward creative proposals. It was an unusually good letter. What was more valuable was the way the editors of SHEKOU TONGXUN BAO handled the letter.

SHEKOU TONGXUN BAO is the organ of the Shekou Industrial Zone CPC Committee. It is rare in the history of our party newspapers that the secretary of the Shekou Industrial Zone CPC Committee should have supported people who criticized him by name in newspapers. Short, containing only 1,200 characters, the letter is well worth reading. It was really terrific that a young man should have dared to write such a letter, criticizing the first secretary of the CPC Committee, and that the party organ should have dared to carry a letter criticizing the first secretary. After the letter was published, the newspaper office received positive reactions from various quarters. Many people wrote letters to ask how the letter was published. For this reason, SHEKOU TONGXUN BAO carried in its issue No 4 (the letter was carried in issue No 3) an article entitled "The Ins and Outs of the Publication of 'A World of Advice,'" According to our traditional customs, it is not easy to criticize people by name or to criticize well-known figures at home and abroad. As far as I know, a newspaper at a certain level has never criticized by name the highest-ranking in-service leader at the same level. This was a pioneering undertaking. [paragraph continues]

The article said: In early February, the industrial zone held a symposium on economic strategy. At the meeting, Comrade Yuan Geng told a SHEKOU TONGXUN BAO reporter that he hoped the paper would carry articles criticizing the leading comrades. After the news got around, some youths in the Shekou Industrial Zone pondered the question of how the industrial zone had developed. The editorial department of the newsaper also discussed the possibility of organizing the force of public opinion in the industrial zone to supervise the leaders and to develop the zone more satisfactorily. On 27 February [as published], the Editorial Department received a call from a young man, who said that he wanted to write an article criticizing Yuan Geng and asked if the newspaper dared to publish it. The Editorial Department flatly replied: "If you dare to write it, the Editorial Department will dare to publish it." Sure enough, at Spring Festival a letter entitled "A Word of Advice to Mr Yuan Geng" was sent to the Editorial Department. At a glance, the comrades at the editorial department were sure that Zhen Mingni was only a pseudonym and not a real name. Though the contents were sharply worded, the writer was sincere in his attitude and analyzed problems with good understanding. There upon, on the evening of the second day of the first month, a comrade of the Editorial Department gave Comrade Yuan Geng a call, saying that the manuscript would be published and that it would be sent to him for examination. Comrade Yuan Geng replied: "Do not send it for examination because the Editorial Department has the right to publish it." In spite of this, the Editorial Department did not feel easy. On the following evening, the manuscript was sent to Yuan Geng's house. At 2300, Comrade Yuan Geng called the Editorial Department, saying that the manuscript had been read but the form of address "Mr Yuan Geng" had been changed "Comrade Yuan Geng." The next morning, when a comrade of the Editorial Department fetched the manuscript, Yuan Geng wrote the following words on it: "The contents of this manuscript are well written and basically conform to the facts. It can be published without any alteration. If other people have differing views, they can also speak out."

The publication of this critical article produced great repercussions. Within the leading circles, a deputy general manager said: "Amid the praise there are indeed many problems in our industrial zone. After reading SHEKOU TONGXUN BAO, I instinctively felt a breath of fresh air. Comrade Zhen Mingni suggested that we should study management. It is aimed not only at Comrade Yuan Geng but also at comrades like us at the leading posts. He has raised the question well." A deputy director of the Management Committee of the industrial zone said: "What is the harm in publishing such letters? We had an erroneous idea in the past, as if those who have been criticized in public should step down. As I see it, if there are many criticisms of this sort in Shekou, people will gradually get used to them." The young manger of a telecommunications company said: "'A Word of Advice' has set a precedent. In the future, the images of leaders at all levels, including the managers of various companies, will not always be brilliant. If you have problems, you should let people criticize you." An assistant manager of a real estate company said: "In the industrial zone there are indeed many problems of rushing into mass action and of doing things in a rigid way regardless of the actual conditions. After these are brought to light, the industrial zone will certainly be compelled to improve management." The head of a library said: "A World of Advice' has set a precedent in the country's press circles. This shows that in Shekou, in addition to the government and enterprises, a third force has developed -- the popular will. If newspapers provide the people with the chance to air their views, the practice of telling tales or spreading rumors will be reduced significantly and even cease altogether."

The general view of the masses is that "it is necessary to create a society which can fully express the will of the people according to the Constitution." A girl from Nei Monggol working at the Sanyang factory said: "This is the new dawn of democracy, the new hope of Shekou, and a higher demand set on the leading bodies."

A shop assistant at the Friendship Store said: "An open zone should not only have an open policy but also take a liberal attitude toward public opinion." A young worker from a yacht plant said: "Reading Zhen's article is like drinking a cup of strong tea, sweet and tasty. It has precisely reflected our thinking." He added: "I hope that, after reading this article, our leaders will feel as if they are drinking a bowl of chili soup, hot but good to the stomach!" A staff member of a telecommunications company said: "I hope that patriots of the Zhen Mingni type, who have both courage and insight, will emerge in great numbers in the special zone. They will boldly and frankly make suggestions to our leaders on how to eliminate defects. And our leaders will also be as broadminded as Comrade Yuan Gent. Listen to both sides and you will be enlightened, heed only one side and you will be benighted. In this way, the special zone will certainly develop more quickly."

This event also produced very strong reactions outside Shekou. When SHEKOU TONGXUN BAO was taken to Guangzhou for printing, Guangdong's Hong Kong and Macao Economic Research Center asked the Editorial Department of SHEKOU TONGXUN BAO to contribute an article. A teacher of th Management Department of Tianjin's Nankai University said: "I instinctively feel there is a democratic atmosphere in Shekou and I perceive it from the way in which you are running the newspaper." The deputy chief editor of SHIJIE JINGJI DAOBAO said: "A newspaper should be run like this." A responsible person of SHENZHEN GONGREN BAO [SHENZHEN WORKERS' DAILY] said: "The writer is bold and Yuan Geng is liberal. This has something to do with the democratic environment in Shekou." After Issue No 3 of SHEKOU TONGXUN BAO carried the letter on its front page on 28 February, YANGCHENG WANBAO and GUANGMING RIBAO immediately reprinted it on the front page. The XINHUA NEWS AGENCY, ZHONGGUO XINWEN SHE, RENMIN RIBAO, and the Central People's Broadcasting Station also released the news simultaneously. After RENMIN RIBAO reported the news, YANGCHENG WANBAO again featured it prominently. Overseas newspapers and magazines, such as Hong Kong's WEN WEI PO, TA KUNG PAO, and HSIN PAO also carried this news. The event, which SHEKOU TONGXUN BAO called the first "shock wave," lasted a month. The second "shock wave" was: After SHEKOU TONGXUN BAO carried a long newsletter, "The Ins and Outs of the Publication of 'A Word of Advice,'" NANFANG RIBAO reprinted it in an abridged form on the front page. Some time later, RENMIN RIBAO prominently featured a signed article commenting on this newsletter. Entitled "The First Spring Thunder in Shekou," this commentary was also reprinted by NANFANG RIBAO. These events lasted for more than 1 month. From February to April, some newspapers and magazines in various localities reprinted the news on "Yuan Geng accepting criticism," quite amply reflecting the close link between China's press circles and the vast number of readers and the strong demand for reforms, liberal policies, and socialist democracy. The story of "Yuan Geng accepting criticism" quickly became a hot topic of conversation. In April, in a letter to the editorial department of SHEKOU TONGXUN BAO, a deputy chief of the Press Research Institute of the Chinese Academy of Social Sciences said: "Although SHEKOU TONGXUN BAO is a tabloid, it has shocked the press circles because it has introduced something representing a development trend of the press." The institute also set up a special "newspaper reports column" in the corridor, pasting on the column all the newspaper cuttings from China and Hong Kong newspapers on the news item. The column was entitled: "Press Reform Is Forging Ahead -- an Example of the Development in Press Criticism: SHEKOU TONGXUN BAO Is Famous at Home and Abroad." An associate professor at the Journalism Department of Shannhai's Fudan University said: "By your action you have set a precedent and broken with the outmoded conventions that newspapers and magazines cannot criticize the responsible persons of the party committee at the same level. You are in the vanguard of the country's press circles." The deputy editor in chief of SHIJIE JINGJI DAOBAO said in his letter: "From your selection of materials and your style we can see that you are striving to open up a brand-new path. SHEKOU TONGXUN BAO is well worth reading and I seem to smell a breath of fresh air." [paragraph continues]

In his letter, Xie Guangbei, a postgraduate student studying for a master's degree at Tianjin's Municipal Engineering Design Institute, said: "After reading SHEKOU TONGXUN BAO, I really discerned, from reading between the lines of the newspaper, an uplifting flavor of youth, a unique sense of freshness in nature after a rainstorm, and a powerful centrifugal force that makes people yearn for Shekou. All this has inspired me with enthusiasm." In June, the Guangzhou modern drama troupe included the story of "Yuan Geng accepting criticism" in its new stage play "Fission." The modern drama is now being performed in Guangzhou.

It was a superb article written admirably by the author and handled skillfully by the editor. Especially admirable was the secretary of the Shekou Industrial Zone CPC Committee. The article caused a sensation at home and abroad and received a positive response. This shows the victory of our policy in the special zones. The Shekou Industrial Zone is a part of the Shenzhen Special Economic Zone. It is an export processing zone exclusively set up and developed by the China Merchant Steam Navigation Company. It is a tiny area which, including hills, covers a dozen or so square kilometers. Uninhabited before, it now has a population of less than 30,000. After the 3d Plenary Session of the 11th CPC Central Committee decided to carry out an open policy and before the Shenzhen Special Economic Zone was set up, Shekou became the first experimental unit for China's open policy and reform. It has attained great successes not only in economic but also in political reforms. In coordination with the economic reforms, it has simultaneously conducted a series of political reforms, which are adapted to, and promote, the development of the economic reforms. In order to genuinely practice a high degree of socialist democracy, with the support of the leading comrades of the CPC Central Committee, Shekou made a bold attempt to build a high degree of socialist democracy. In 1982 it gradually popularized the practice of selecting and promoting cadres through opinion polls. Later, it tried out a democratic system of electing the management committee members by direct secret ballot and a practice of casting confidence votes annually. The management committee often holds press briefings to announce the administrative and economic conditions and measures of enterprises and to encourage all professional and academic mass organizations to discuss the administrative principles and their implementation. As far as our press circles are concerned, what merits our attention is that newspaper manuscripts will not be examined, that the people are encouraged to criticize leading bodies and leaders by name, and that Shekou favors political openness, maintains the people's right to know the real situation, and advocates freedom of speech within the limits prescribed by the Constitution. The fact that SHEKOU TONGXUN BAO wqas able to publish a letter criticizing the first secretary of the Shekou Industrial Zone CPC Committee is an excellent outcome of the experiments in political reform.

Shekou's political and press reforms merit our close study. There are some fundamental issues we should think out for ourselves. For example, how to correctly handle the relationship between party committees, party newspapers, and the masses of the people is a very important and complicated issue. In solving this important issue, Shekou has taken a very valuable step forward.

From here we can see that the Shekou Industrial Zone CPC Committee and its first secretary have adopted a correct attitude toward the people and the party newspaper: They fully recognize the importance of exercising a high degree of democracy, fully believe in the strength of the masses, go all out to mobilize the masses, and are determined to place the party and the government under the supervision of the people. Comrade Yuan Geng has adopted a clear-cut attitude. He repeatedly stressed: "We just want to create in this place a democratic society in which people can speak out freely. [paragraph continues]

If not, what is the use of sending more than 1,000 cadres here?" He also said: "A host of facts show that it is often very dangerous to entrust people with important tasks without supervising them. In enforcing supervision, it is crucial for the people to have a high degree of democratic rights." He not only talked about this and wrote this on papers but he also matched words with deeds.

In addition to encouraging the masses of the people to make criticism in newspapers, particularly to criticize leading comrades, Shekou has held democratic elections every other year since 1983. It also takes a confidence vote annually and those who receive a nonconfidence vote of over 50 percent must step down. The fourth vote of confidence was cast on 20 April this year and the polling rate reached 84 percent. All the incumbent members of the industrial zone party committee won the confidence of the people.

The Shekou Industrial Zone CPC Committee has adopted a correct approach toward the party newspaper: It exercises leadership over the party newspaper only in principle and policy and guides the newspaper to work in a creative way. This can be proved from Comrade Yuan Geng's written instruction on the critical letter "A Word of Advice." He also explicitly announced at a cadre meeting: Barring opposing the communist party and launching personal attacks, newspapers in Shekou need not submit for examination articles criticizing the leaders of the industrial zone."

Under the leadership of the Shekou Industrial Zone CPC Committee, the broad masses of the people have also adopted a correct attitude toward the party committee and newspaper. They take good care of the leaders. They also have the courage, and are ready, to criticize the leaders. This shows their sense of responsibility as masters and their readiness to supervise the leaders' work. The people believe that the party newspaper can reflect the views of the people and are willing to urge the newspaper to boldly express those views.

Under the leadership of the Shekou Industrial Zone CPC Committee, SHEKOU TONGXUN BAO has also adopted a correct approach toward the people and the party committee. The party newspaper fully respects the people's democratic rights, fervent love for the state and socialism, and sincere advice. It also fully respects the leadership of the party committee. Yuan Geng instructed: "SHEKOU TONGXUN BAO should carry critical articles, particularly those criticizing the leaders." After the news got around, some youths with courage and insight were eager to have a try. That is why "Zhen Mingni" had the courage to write the letter and to ask the newspaper whether they dared to publish his letter and the newspaper office dared to make a positive reply. In spite of this, the Editorial Department seriously studied the matter. When some readers paid a Lunar New Year call to the newspaper office, the responsible persons of the Editorial Department also took advantage of this opportunity to extensively solicit their opinions on whether or not the letter should be carried in the newspaper. Some were for, some were against, some were worried, and some urged giving up. After conscientiously studying various differing views, the Editorial Department decided to publish the letter. However, they still telephoned Yuan Geng to seek his opinion. Yuan Geng replied: "Do not send it for examination because the Editorial Department has the right to publish it." Despite what he said, they took the manuscript to him and asked him to go over it. This was not a mechanic or passive implementation of the examination system, nor was it an attempt to shirk responsibility. It was an act of voluntarily soliciting opinions. This was also in keeping with Comrade Yuan Geng's written instruction. "This is only a suggestion and not an examination. [paragraph continues]

Nor is it necessary to send manuscripts for examination in the future unless they involve fundamental principles and policies. When you are not quite sure of a certain thing, you will get a more comprehensive idea by soliciting the views of many people than by depending on the views of a few people in the Editorial Department." This shows that the party newspaper has worked prudently and in a principled manner and that it respects the leadership of the party committee.

How to correctly handle the relationship between the party committee, the party newspaper, and the people is a major issue of fundamental importance. It should be continuously studied and tested in order to discover a feasible method conforming to party principle. However, only by having both the spirit of blazing new trails and the practice of reform is it possible to complete this task.

HU YAOBANG CARICATURIST DISCUSSES WORK, REACTION

HK260912 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1044 GMT 25 Aug 86

[Article by Mu Shui: "A Da, the Artist Who Caricatured Hu Yaobang"]

[Text] Hong Kong, 25 Aug (ZHONGGUO TONGXUN SHE) -- China's master cartoonist A Da has recently become a man in the news. The caricature of Hu Yaobang at the "Shanghai Cartoon Contest Exhibition" that created a stir is his work.

Tall, thick-lipped, and talkative A Da, who was interviewed by the writer the other day, excitedly talked about all that preceded the representation of important communist officials in caricature. A Da said: "In August last year, Zhao Chaogou, director of XINMIN WANBAO of Shanghai, wrote two articles under the pen name 'Lin Fang' suggesting that people should be allowed to make caricatures of important figures in China's political circles. Well-known painter Wang Letian also suggested that the representation in caricature of important figures in China's political circles should be somewhere between sketches and cartoons, with exaggeration avoided as the best policy. I am all for their views. China in the past deified leaders. Now deities should be humanized. The No 4 issue of MANHUA SHIJIE [CARICATURE WORLD] published by XINMIN WANBAO in November last year presented on its front cover the cartoon I drew entitled 'Zhao Ziyang Clinking Glasses with the United Nations.' Later, the magazine MINZHU YU FAZHI [DEMOCRACY AND THE LEGAL SYSTEM] arranged for me to run [illegible] pictorial with each issue presenting a caricature of an important official in political circles. So far, I have caricatured more than a dozen people, including Deng Xiaoping, Peng Zhen, Deng Yingchao, Lu Dingyi, Yang Shangkun, Chen Pixian, Wang Renzhong, Zhang Youyu, and so forth. At that time, a relaxed social democratic atmosphere was absent. Thus, the publication of the pictorial ran into trouble. But after 10,000 copies of the pictorial with cartoons of important figures in political circles drawn by me were held up by a post office of a certain city in northeast China, the local circulation of that magazine doubled the next month."

"What inspired your caricature of Hu Yaobang?" I asked.

A Da answered: "I remembered that Hu Yaobang had directed everyone in singing the song 'My Heart -- China.' He has a long history of experience with youth work and has the character and disposition of a young man. Stretching out both his arms is a typical act on his part in making reports. Such a gesture or act can give expression to the traits of a figure full of passion, full of vim and vigor, and full of the spirit of optimism.

I am not well acquainted with Hu Yaobang. Now, I have chiefly relied on photographs and screen images in creation. My first presentation was too close to the portrait. Only the final work published has the significance of a caricature."

When asked, "Did you have the approval of top communist echelons in caricaturing important figures in political circles?" A Da said: "No! We have never asked for permission. If we should draw caricatures only with the approval of upper levels, then it is not real democracy. Democratic freedom is not any special favor."

In answering my question, "What reactions did you have after the display of that caricature and the release of news about the matter?" A Da said: "There were both favorable and unfavorable views. After JIEFANG RIBAO reprinted these two caricatures on 15 August, several dozen phone calls were received by the newspaper the same day asking why leaders were uglified. The alert police force of the Xuhui District Public Security Branch also made a phone call saying that they had sent the copy of the newspaper to the central authorities. But those people who voiced support were in the majority. A responsible person of an artists' association, who had specially come from Beijing to Shanghai to view the exhibition, said: This is a breakthrough in the history of caricature in China. Now the first important step has been taken. But the second step -- the portrayal in caricature of leaders' mistakes in work -- will be very difficult and may not be immediately accepted."

A Da's real name is Xu Jingda. He is a native of Jiangsu and is 52 years old this year. He graduated from the animated cartoon class of the Beijing Film College in 1953. He has since worked all along with the Shanghai Artistic Film Studio and has successively participated in the production of more than 40 cartoon films. Among his typical work is "Three Monks." The artistic animated cartoon with pictographs as subject matter he created entitled "Thirty-six Characters" won an educational film prize at the "World Cartoon Film Festival" held in Yugoslavia not long ago, with the participation of more than 400 films.

A Da finally told the writer that his main work is still the production of cartoon films. At present, he is giving a cartoon film the final touches at the invitation of Miss Li Shirong of the Hong Kong Jingding Film Company.

CARICATURE OF LEADERS 'REALLY A STEP FORWARD'

HK280938 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1157 GMT 27 Aug 86

["Short" commentary by Yao Wang: "Reflection on Caricaturing Hu Yaobang"]

[Text] Caricaturing the "features" (no derogatory sense) of state or political leaders with a sense of humor, satire, or even sarcasm is now a common practice in many countries the world over. Of late, China too has begun to do so. In Shanghai, a cartoonist named A Da recently caricatured CPC leaders Deng Xiaoping and Hu Yaobang. When a newspaper ran the drawings on its front page, it immediately became a bestseller, and cartoonist A Da suddenly gained considerable fame in the country.

Over the past few years, China has made tremendous efforts to carry out reform. After a few years of these efforts, the economic restructuring has won initial success and the political restructuring has also been placed on the order of the day.

A very important aspect of the political restructuring is to gain a deeper understanding of democracy and put it into practice.

The Chinese blindly worshipped their monarchs in the past. Such feudal ideology has seriously hindered the process of developing democracy and made the people see their state and political leaders with reverence and awe. Leaders should not be portrayed in writing with reckless and blunt remarks so as not to distort their image, let alone be "uglified" through caricature. In this sense, it is really a step forward that cartoonists are now allowed to caricature leaders.

However, the road is by no means smooth. A small sign can indicate a great trend. On the very day that Shanghai's JIEFANG RIBAO ran the front-page drawing poking fun at Hu Yaobang, the newspaper office got scores of phone calls asking why leaders were defamed. What is more, the security police squad (attention: security police) of the Xuhua District Public Security Bureau of Shanghai immediately sent the newspaper containing the caricature to the party Central Committee. Very fortunate indeed, the present is superior to the past all in all. A Da, creator of the caricature, is so far safe and sound, and he will continue caricaturing state and political leaders.

Besides, one more thing is worth mentioning: In A Da's caricatures, he presents only positive images and eulogizes achievements; he has not gone beyond the usual practice of the Chinese communist newspapers of "reporting only the good news and not the bad." A Da himself has also seen the problem. Quoting remarks of an artist, he said: "The next step, in other words, the portrayal in caricature of leaders' mistakes in work, will be very difficult. People probably cannot accept it for the time being."

In the view of communists, "newspapers are like textbooks that serve to educate the people." However, in the view of Western countries, public opinion should work as a supervisor over those in power. Regarding the two different views on the function of newspapers, which is right and which is wrong? This article does not want to discuss the question. However, the practice of the CPC in the past has proved that trifling illness often becomes severe if it is not carefully attended to. Similarly, if errors are not pointed out in time and salutary advice is not considered, a high price will be paid. It is hoped that caricaturing political leaders in the CPC's newspapers will not be a gust of wind and works just for entertainment.

POLL SHOWS MAJORITY OF PEOPLE FAVOR REFORM

OW271235 Beijing XINHUA in English 1113 GMT 27 Aug 86

[Text] Beijing, August 27 (XINHUA) -- Nearly 93 percent of Chinese people say the ongoing economic reform is "essential" for the country, according to an opinion poll whose details were made public today. The poll, conducted earlier this year by the Beijing-based Institute for Economic Restructuring, found that 64.3 percent of those sampled regarded the reform as "successful." Those surveyed also said their top complaint was the abuse of power for personal gain by government and Communist Party officials. Price increases, which topped the list of complaints in earlier polls, fell to second place.

According to Yang Guanshan, an institute researcher, the high level of discontent with official corruption "shows where further reforms are urgently needed."

In an interview published Saturday in "PEOPLE'S DAILY," Yang said the "most important reform is the modernization of the mind," and economic reform "encourages people to voice their complaints."

But, he told the Communist Party paper, "What can hurt the reform most is the habit some people have of keeping quiet and relying on the government to solve all problems." However, the poll indicated most people are happy with current social welfare programs:

-- 65.6 percent of the young people questioned said they agreed that "the government should take care of everything in people's lives."

-- 84.1 percent of the factory workers agreed that "it's better to let the state cover our pension and medical care than to have to worry about it ourselves."

-- 77.3 percent of the urban residents questioned said in choosing a job, stability is more important than prospects for raises.

Although a majority seem to favor continuation of social policies that benefit them, the poll also found that people are beginning to change their attitudes about the "iron rice bowl" -- China's guarantee of lifelong employment and pension to workers in state agencies and enterprises.

Where in the past the iron rice bowl had overwhelming support, in this year's poll, 51.2 percent of those surveyed said they would trade job security for "freedom to choose a job" -- and 48.2 percent said they would leave the jobs they had if they could.

At the same time, 71.8 percent of all factory workers questioned said they supported laying off workers in cases where more had been hired than were needed to do a job.

Also, 87.1 percent of factory workers said they opposed the traditional Chinese egalitarian concept of "everyone eating from the same pot" and favored the reform's linkage of income to output.

According to Yang, the poll results showed that ideas in China are changing. But, he said, "that doesn't mean that social norms have been modernized."

He said the country needs to make sure "people are educated to live in a competitive commodity economy -- with all of its risks."

The poll sampled 2,518 people in 23 cities throughout the country, said institute officials.

RENMIN RIBAO COMMENTATOR ON ENTERPRISE BANKRUPTCY

OW280953 Beijing XINHUA in English 0931 GMT 28 Aug 86

[Text] Beijing, August 28 (XINHUA) -- China should go ahead with the experiment of enabling deficit-laden enterprises to go bankrupt before labor security and other laws are officially published, the "PEOPLE'S DAILY" proposed today.

A commentator's article recognized the urgency to institute a labor security system for the unemployed to maintain the stability of social order. Nevertheless, it said, this and other reforms can be completed while the enterprise bankruptcy system is being carried out.

Enterprise bankruptcy is being tested in Shenyang, Wuhan, Chongqing and Taiyuan, which are major industrial centres. The first such case recorded so far is a collectively-owned factory in Shenyang, whose deficits far exceeded the value of its fixed assets.

If no factory is allowed to go bankrupt before other related laws are formulated, "the system being tried out for enterprises to be responsible for their own profits and losses would be empty talk, pure and simple," the article said.

The government usually subsidizes enterprises with deficits to keep them going. This amounts to allowing enterprises to "eat from the common rice bowl" provided by the state or depend on more efficient ones for survival, the article said.

The on-going economic system restructuring aims in part at reducing administrative interferences in production and managerial affairs of enterprises, the article said.

But such interferences would continue without a bankruptcy system, in that officials can continue using administrative measures to force profit-making factories to bear the losses of their deficit-laden counterparts, the article said.

This means that they can continue giving arbitrary and impracticable directions to enterprises, not caring about the consequences, the article continued.

"One objective of the economic system restructuring is to separate government administration from economic management, so that enterprises can become relatively independent commodity producers and business operators," the article emphasized.

Since last year, eleven factories, including the one in Shenyang which has already gone bankrupt, have been warned to improve within one year in order not to go bankrupt.

Five of them have begun making profits, said a news report accompanying the commentator's article.

FOREIGN EXCHANGE CERTIFICATES TO STOP IN OCT

HK280617 Hong Kong WEN WEI PO in Chinese 27 Aug 86 p 2

["Special dispatch from Shanghai": "Issue of Foreign Exchange Certificates To Cease in October"]

[Text] According to authoritative sources here, the issue of foreign exchange certificate will cease on 1 October this year. The certificate will be taken out of circulation by the end of November and will no longer be traded by the end of March 1987.

The authoritative sources also said that the state departments concerned have formulated several regulations on the use of foreign currency in mainland China following the withdrawal from circulation of foreign exchange certificates. Generally speaking, the principle is that China will safeguard the interests of foreign investors and make things convenient for foreign tourists. China is still studying, in detail, the specific implementation procedures in different departments and localities.

Chinese and overseas institutional or individual holders of foreign exchange certificates can exchange a certain amount of certificates into foreign currency, provided that the certificates come from a proper source.

HU QILI PRAISES CHANGES IN GANSU, NINGXIA

OW270901 Beijing XINHUA Domestic Service in Chinese 1439 GMT 26 Aug 86

[Text] Yinchuan, 26 Aug (XINHUA) -- Hu Qili, member of the Political Bureau and member of the Secretariat of the CPC Central Committee, conducted investigation and study in a number of areas of Gansu and Ningxia from 19 to 26 August, and had talks with local cadres and people on how to escape poverty. He said: In the past few years a number of poor areas in northwestern China have made a strategic shift in agricultural development by planting grass and trees. They have already made a breakthrough. The future task will be to make great efforts to develop animal husbandry, transform forest trees and grass into commodities to enable peasants to gain practical benefits from planting grass and trees, and to bring about a new stage in the task of shaking off poverty and getting rich in poor areas.

Comrade Hu Qili inspected Dingxi, Jingning, Xiji, Guyuan, and Tongxin Counties. Wherever he went he had cordial talks with and solicited opinions from cadres and the masses, either in the fields or in the courtyards of peasant homes. In drought-stricken areas north of Dingxi County, he noticed that peasants had grain, grass, and water in store and that their livelihood had generally improved. He said: When the people's livelihood has improved, our comrades working in the party Central Committee feel more at ease. In Xiangquan Township, Dingxi County, Comrade Hu Qili visited several peasant households specializing in planting grass and raising animals. He profusely praised them for adopting the idea of commodity production. He told the township government to publicize these households' advanced experiences and to help more people of the township to embark on commodity production and get rich as soon as possible. On 23 August, Comrade Hu Qili braved rain to make an inspection tour of Xiji County. He seemed pleasantly surprised at the tremendous changes the people in Xiji County had effected. He repeatedly lauded the people of Xiji County for their successful efforts, saying quite sentimentally that he had not been there for 10 years and that tremendous changes had taken place in those 10 years. Now, the poor and backward situation there had started to improve, the majority of peasants no longer had food and clothing problems, and the natural ecological environment had improved. This was the result of the party Central Committee's policy and the united efforts of the cadres and the masses. On 24 August, Comrade Hu Qili inspected a newly-constructed water pumping project, which involved a state investment of 170 million yuan. This project, which pumps water from the Huang He, has already yielded huge economic and social benefits, enabling 110,0900 peasants in the newly irrigated area to get rid of poverty. Many peasants who had moved to this area from dry mountainous areas told him that the party and government had brought in water of happiness for them, enabling them "to settle down in 1 year, get rid of poverty in 2 to 3 years, and become rich in 3 to 5 years."

Upon hearing their remarks, Hu Qili praised the project for its great economic benefits, good political impact, and its capacity to effectively help peasants overcome natural disasters and invigorate the economy, thereby enabling them to enhance their confidence, cherish hopes and increase their enthusiasm to work hard.

In central Gansu, with Dingxi County as a typical representative, and in the neighboring Xiji-Haiyuan-Guyuan area of Ningxia, drought has historically been a persistent scourge and people there have been known for their poverty. Under the leadership of the provincial and perfectural party committees, cadres and the masses of these two areas have followed comrade Hu Yaobang's suggestion to "plant grass and trees, develop animal husbandry, improve the natural environment, and get rid of poverty and become well off." They have made great efforts to plant grass and trees, thereby effecting a strategical shift in agricultural development with gratifying results. Large numbers of barren hills are now covered with vegetation; such activities as weeding grass, digging tree roots, and indiscriminate reclamation and laying waste of hills have basically ceased; the sharp shortages of fuel, feed, and fertilizers have been eased; and most peasants have somewhat solved their food and clothing problems. Comrade Hu Qili, after conducting on-the-spot inspections and listening to briefings, highly appraised the changes experienced there. He said: To change the poor and backward outlook, cadres and the masses of these two areas have in the past made huge efforts and paid a heavy price. However, when they were following the wrong path, the ecological environment was becoming increasingly worse, agricultural production dropped steadily and peasants had a hard time for quite a long period. Since the 3d Plenary Session of the 11th Party Central Committee, in particular since Comrade Hu Yaobang proposed "reversion to a normal course" in 1983 when he inspected northwest China, cadres and the masses have finally found a way to get rid of poverty after summing up historical experience. Practice shows that it has been a correct way. Following the correct way, the masses have developed increasingly greater dynamism and the cadres increasingly greater confidence. Following this correct way, unflinchingly and indomitably, the Dingxi and Xiji-Haiyuan-Guyuan areas will certainly change their poor outlook. He also said: This change demonstrates the people's courage and the level of leadership. Whoever witnesses this change will certainly exult. Situated in the Loess Plateau, the improved ecological environment in these areas has not only benefited their own people but will also greatly contribute to the Chinese nation's prosperity.

In the course of his inspection, Hu Qili minutely familiarized himself with the activities of planting grass, raising livestock, and developing commodity production and issued a long series of instructions on how to consolidate the achivements made and climb another step in economic development in order to quicken the pace of getting rid of poverty and becoming rich.

Hu Qili said: The key to consolidating the achivements made in planting grass and trees is to develop the animal husbandry industry; transform grass and trees to into meat, poultry, eggs, milk, hides, wool, and other commodities; and enable the peasants to gain realistic benefits from this transformation. Now that some townships, villages, and households have tasted the sweetness of this transformation, the leaderships at all levels must make the best use of the situation and effectively serve the peasants in order to push grass planting and animal breeding to a new level.

Speaking on developing lateral economic associations, Hu Qili said that it is correct to rely on one's area's strong points.

This front army, led by Ren Bishi and He Long, fought united, opened up and developed base areas, and effectively coordinated with the Central Red Army, thus greatly contributing to the victory of the Long March.

When the old comrades met at the central Advisory Commission conference room in Zhongnanhai, they exchanged greetings with each other and were drawn to each other more closely than ever. Many old comrades, although with gray hair, and ruddy complexions, sat upright, and spoke in sonorous voices; they still kept their heroic, battlefield bearings and lofty sentiments. When Comrade Chen Congying, Comrade Ren Bishi's 84-year-old widow, entered the room, many comrades stepped forward to shake hands with her. Comrade He Biao said to her: "I will never forget how Comrade Bishi educated us at that time. I often think of calling on you." Comrade Chen Congying said: "I also missed you very much."

When the forum started, those attending had a lively discussion, Comrade Wang Zhen said: While marking the 50th anniversary of the victory of the Long March, we dearly cherish the memory of those revolutionary martyrs who heroically laid down their lives during the long March and miss very much the people of the old revolutionary base areas who did everything they could to support the Red Army. We should thank and greet those people. I hope that people in various social echelons will show concern for the growth of martyrs' children.

Comrade Wang Zhen said: The 2d Front Army made glorious history during the Long March. However, not many articles have been written about this history. It is necessary to organize some people to write the Long March history of the 2d Front Army, which should be divided into several periods and written according to what actually occurred in history.

Comrade Xiao Ke said: The Long March was a great event in the history of Chinese revolution. Half a century has passed since that event. It is not easy for those who are still living and in good health to get together here today. We are all over 70 years old and now remain the second line. We should do what we can do in our remaning years.

Comrades Liao Hansheng, Zhang Pinghua, and Yang Xiushan said that the 2d Front Army of the Red Army had many valuable experiences to write about. Comrade Zhang Pinghua told those present that he had written several articles on this subject in recent years. Comrade He Biao told those present that cooperating with someone else, he had finished the first draft of a book in this way. He said: I am not a writer, but I have a good grasp of many historical materials, some of which are unknown to others. I feel I should write according to these historical materials, which will constitute a consolation for thousands upon thousands of martyrs and an encouragement for people in old revolutionary base areas in undertaking the four modernizations.

Comrade Yu Qiuli said: It is greatly significant to document the Red Army's history of heroic fighting. In undertaking the four modernizations today, it is essential to carry forward the Red Army's indomitable spirit of fearing no difficulty or sacrifice. Regarding the 2d Front Army of the Red Army, there are several particular points to write about: correct strategic guidelines, its indomitable fighting will and high morale, creating new things in the course of fighting, and an example of unity. He said: Many old comrades are still living and in good health, and they have much information to share in this regard.

However, we must widen our vision and, bearing in mind the idea of opening to the outside world and stimulating the economy, we must study how to give full play to our local strong points and extensively establish lateral economic associations. We must study what we should to attract skilled personnel, technology, funds, and facilities from outside our respective areas. Economic development and commodity circulation have their natural and historical law of development as well as a mutual association. It is necessary to promote lateral economic associations and smooth commodity circulation channels by following a natural course and relying on existing economic associations. We must understand market information. Counties must have a special set-up to do this job, rendering good service before and after production.

Hu Qili said: It is imperative to train qualified personnel urgently needed for production development. It is very important to develop education and train personnel needed for local production development; this must be done in various forms and through various channels. Importance must be given to developing secondary vocational and technical education. In developing vocational education and training technical personnel, including such locally needed personnel as veterinarians, financial workers, accountants, statisticians, various service personnel, and management personnel, local practical needs must be taken into consideration. Development of education must be carried out from the basic level up, first by really running middle and primary schools well, striving to have all school-age children in school, and gradually implementing 9-year compulsory education. Primary and secondary vocational and technical schools must be run well to meet future needs in economic development. Comrade Hu Qili highly priased the intellectuals, scientists, and technicians who had been working there for a long period of time. He encouraged intellectuals to link their ideals and book knowledge with reality. He urged local leadership to respect the intellectuals' expertise and knowledge, support their work, help solve their difficulties in daily life and work, and provide good conditions for them to enable them to make still greater contributions to helping people in poverty-stricken areas get rid of poverty and get rich.

While in Gansu and Ningxia, Hu Qili listened to briefings by the Gansu Provincial and Ningxia Autonomous Regional CPC Committees respectively; inspected urban construction in Lanzhou, Yinchuan, and other cities; toured a number of factories and country fair grounds; and visited the Shapotou scientific experimentation base for protection against wind and sand.

Comrade Hu Qili returned to Beijing from Yinchuan by plane on the afternoon of 26 August.

LEADERS ATTEND FORUM MARKING LONG MARCH

OW270447 Beijing XINHUA Domestic Service in Chinese 1311 GMT 25 Aug 86

[By reporter Xu Xinhua]

[Text] Beijing, 25 Aug (XINHUA) -- To mark the 50th anniversary of the victory of the Long March undertaken by the Chinese Workers' and Peasants' Red Army, veteran comrades of the 2d Front Army of the Red Army contently gathered in Beijing this morning to look back on the course of their struggle and to discuss how to write about their front army's history of heroic fighting in order to promote the four modernizations and to let later generations inherit and carry forward the glorious tradition and revolutionary spirit of the Red Army.

The 2d and 6th Army Group of the Red Army were reorganized into the 2d Front Army of the Red Army.

It is necessary to organize people to write this history well.

Old comrades attending the forum also included Kuang Fuzhao, Li Zhen, Jian Xianren, Jian Xianfo, Luo Zhang, Li Donghan, Deng Dongzhe, and Hu Zheng.

TIAN JIYUN OPENS EXPORT PRODUCTS EXHIBITION

OW280438 Beijing XINHUA Domestic Service in Chinese 1042 GMT 27 Aug 86

[By reporters Zhou Yichang and Jiao Ran]

[Excerpts] Beijing, 27 Aug (XINHUA) -- An exhibition of exports by Chinese village and town enterprises opened at the National Agricultural Exhibition Center this morning. Tian Jiyun, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, and Kang Keqing, vice chairman of the CPPCC National Committee, attended the opening ceremony. Vice Premier Tian Jiyun cut the ribbon opening the exhibition. [passage omitted]

In his inscription for the exhibition Vice President Ulanhu pointed out: "Develop village and town enterprises and invigorate the rural economy." Village and town enterprise have now become the mainstay of our country's rural economy. Village and town enterprises throughout the country employed 70 million people last year, accounting for 19 percent of the total labor force in the countryside, and their total output value is now 272.8 billion yuan, which is equivalent to society's total product in 1968. Now more than 8,000 village and town enterprises turn out products for export, and they earned $4 billion of foreign exchange for the state last year. [passage omitted]

SAVINGS DEPOSITS UP 12 TIMES OVER 1976 FIGURE

OW170642 Beijing XINHUA in English 0602 GMT 17 Aug 86

[Text] Beijing, August 17 (XINHU) -- Bank savings deposits in both China's urban and rural areas amounted to 192.73 billion yuan by the end of June, 12 times the figure for late 1976, the Overseas edition of PEOPLE'S DAILY reported today.

According to the Industrial and Commercial Bank of China, of the total urban and rural savings deposits, 106.98 billion yuan was from the urban residents.

The paper noted that the rise in the deposits was based on the increased income for the people and their improved standards of living.

Between 1981 and 1985, the annual wage income for urban employees registered a net increase or 414 yuan, and the yearly income for peasants a net increase of 208 yuan. Relevant statistics also show that the country's average consumption standards in 1985 was up by 89 percent on 1976.

RENMIN RIBAO SUPPORTS CORPORATION SYSTEM

HK260803 Beijing RENMIN RIBAO in Chinese 18 Aug 86 p 5

[Article by Tong Dalin: "Shareholding Is a New Basic Point of Socialist Enterprises"]

[Text] People all know that the capitalist corporation economic sector has enabled the productive forces of society to grow quickly. Turning enterprises into corporations is an inevitable consequence of a high degree of development of the productive forces. At the beginning, capitalist industrial enterprises gradually became corporations, and later joint stock corporations gradually became the prevailing form of enterprise in all industrial sectors. Nor can the development of commodity economy be separated from the transformation of enterprises into corporations in a socialist society. The development of corporations meets the essential demand of our commodity economy. Under the conditions of socialist commodity economy, joint-stock companies will become the economic entities with the greatest vitality. This will be a new trend of the current economic structural reform.

Marx's View of Joint Stock Enterprises

Marx once said: "Like cooperative factories, capitalist joint stock enterprises should be regarded as a transitional form for the transformation from the mode of capitalist production to that of combined production." ("Collected Works of Marx and Engels, Vol 25, P 498) Marx also said: "In a joint stock company, the functions of capital have been separated from its ownership and so has labor from ownership over means of production and surplus labor. This is a consequence of the extremely great development of capitalist production and a necessary transition point for capital to be transformed again into the property of producers. However, this property is no longer the separated private property of producers, but is the property of combined producers. On the other hand, it is also a transition point for the transformation of the functions which are even now combined with the ownership over capital in the process of reproduction into the pure functions of combined producers and into social functions." ("Collected Works of Marx and Engels," Vol 25, p 494)

These words of Marx have the following meaning. First, in a joint stock company that has been set up in a capitalist society, labor has been separated from the ownership over surplus labor as well as from that over capital. Second, this joint stock corporation becomes the transition point necessary for the transformation of capital into producers' property, which is the joint property of combined producers. These words contain the meaning that in the socialist period, joint stock companies are the property of combined producers. From our current point of view this transitional point means a new basic point for socialist enterprises.

All his life, Marx was mainly engaged in research work on the capitalist and communist systems and the theory of surplus value. He was also gifted in his views on socialist and communist economic theory. When we carry out research into contemporary socialist economics, we should focus our energy on summing up the experience of our current practice. At the same time, we should continue to carry on and develop the valuable views that Marx put forth. In dealing with the issue of turning socialist enterprises into corporations we should adopt this attitude.

In our economic structural reform at present, some cities have carried out experiments in setting up corporations which seem to yield good results and which are worth noting.

Turning Socialist Enterprises Into Corporations Facilitates a High Degree of Development of Our Socialist Commodity Economy

Separation between ownership and power of management in a joint stock enterprise facilitates the enterprise's exercising full decision-making power. In a capitalist joint stock company the power of management is transferred to the managers who have professional know-how, and who have decision-making power over the operation and development of the company, while the shareholders can only get the payment of the dividend and bonus due to them according to their shareholding and cannot intervene with the company's administrative and managerial activities at will. This characteristic of the joint stock company ensures that the company can independently exercise its rights according to its own will. In other words, the emergence of capitalist joint stock companies has played a tremendously great role in realizing the separation of ownership and power of management and between government administration and enterprise management. The realization of these two aspects of separation has stimulated the capitalist economy to develop on an unprecedented scale and at an unprecedented rate of growth.

Similarly, if our socialist enterprises (including state-owned and combined ones) are turned into joint stock enterprises, this will mean tht the state's direct intervention in our enterprises will be restricted. For although the state may be the biggest shareholder, it will not be the only shareholder. As a joint-stock enterprise is an independent economic entity that has the status of a legal person. It is not subordinate to any administrative department and its relations with the governments at various levles are merely the relations of performing its duties according to the law. As a result, it will not submit to any external intervention beyond the scope fixed by the law.

-- As the functions of government are separated from those of the enterprise, the enterprise can go a step further toward establishing a modern enterprise management system in which the power to make policy decisions is separated from the functions of administration and management.

In a joint stock enterprise, there is generally a board of directors. Most of the members of the board are representataives of shareholders and they may not be shareholders themselves. Some economic and technological specialists and some well-known social personages can also be invited to become members of the board. The manager or factory director of the enterprise are employed or appointed by the board of the enterprise. They may or may not be shareholders.

The board is the top management policy decision-making organ of a joint stock enterprise and makes decisions on major issues in the enterprise, such as the appointment and removal of the manager or factory director and the formulation of management and financial plans. The manager or factory director is the person actually in charge of the economic mangement of the enterprise. He implements all the decisions of the board, arranges and manages the daily production and operation in the enterprise, appoints the management personnel below the level of vice manager, and so on.

-- A joint-stock enterprise is characterized by having all the funds, material resources, technology, and labor invested in it transformed into shareholdings.[paragraph continues]

The principle of "jointly contributing investment and sharing both risk and profit" is always implemented, no matter in what area the enterprise is situated, no matter whether the funds invested are budgetary or extra budgetary funds, and no matter whether the enterprise is owned by the state, owned in a combined manner, or owned by individuals. Therefore, all the laborers and investors who are shareholders will have great concern about, and will make real efforts to affect, the success or failure and profit or loss of the enterprise. This will give great play to their initiative and creativeness.

In a sense, the joint stock enterprise is precisely a form of the "common ownership" that Marxism once put forth.

-- In a socialist joint stock enterprise, there will be a new structure of the principle of "distribution according to labor," which will consist of ordinary graded wages and salaries, dividends and bonuses that are to be paid in the light of the enterprise's profit, and special awards such as invention awards and awards for rationalization proposals. This will closely link laborers material interests and labor efficiency with their position as the major part of the enterprise.

We should stress that the reason a joint stock enterprise has tremendous potential is that the immediate material interests of every laborer in it are closely linked with the enterprise's profit or loss and that the laborer becomes the major part of the enterprise and shares its destiny. This is the source of the vitality of a joint stock enterprise.

-- The corporation system can solve relatively smoothly the problem of socialist enterprises, in particular family enterprises and the small private enterprises managed by individuals, employing too many people. For the introduction of the joint stock enterprise form can guide people in switching from the practice of employing workers to that of attracting people to become shareholders in the enterprises.

-- Turning socialist enterprises into joint stock enterprises facilitates continuing to find and utilize idle funds, improving our accumulation of funds, and enabling our enterprises to better adapt themselves to social demand and market competition. As buying shares is more profitable than depositing money in banks, shares will be attractive and may become a major means for directly utilizing the funds which cannot be utilized by other means. This will play a role in drawing funds widely from society.

-- The joint stock system facilitates the emergence of the socialist market system, in particular the rapid emergence of credit competition and the financial market. These are important conditions for a highly developed commodity economy. If we have a financial market, we will be able to optimize the distribution of funds and thus promote the development of advanced technology and rising industries and eliminate backward industries and enterprises. At the same time, we can purposefully concentrate our scattered financial resources, quicken the realization of specialization in our production and operation, and promote the development of modern large-scale economy.

The corporation system facilitates switching management by actual things to management by value, for it requires turning assets into commodities and currency and the free and quick movement of funds. At the same time the indexes for evaluating the operation of a joint stock enterprise are the price/earnings ratio of its shares and their price in the market and the growth of its capital.[paragraph continues]

This will facilitate switching the whole national economy to the orbit of paying attention to economic results. Only this will enable us to train more quickly a large number of shrewd and competent socialist enterprise managers, economic organizers, and economic leaders.

-- The corporation system facilitates utilizing foreign capital without heavy foreign borrowing. It can also exploit financial resources more widely, including the scattered small amounts of idle funds from among people abroad. The funds that we draw in this manner can be used freely.

-- The corporation system is a link for the development of lateral economic cooperation. It can imbue lateral economic combines with greater vitality and help them lay a sounder foundation.

Problems of Understanding Related To Turning Socialist Enterprises Into Joint Stock Enterprises

People often regard the corporation system as the outcome of capitalist economy and in particular negate dividends and bonuses, regarding them as exploitation of surplus value. Some people even worry that turning socialist enterprises into joint stock ones will give rise to polarization between the rich and the poor and to the emergence of a new stratum of people who live on dividends. To counter these views, we will make some analysis of the nature of dividends and bonuses that are now being paid in the various forms of joint stock enterprises that have been set up in various areas as experiments.

At present, there are roughly four forms of joint stock enterprise.

1. The enterprises that have issued shares to their own staff and workers. The money with which these staff and workers bought the shares was mainly their wage income. In a state-owned enterprise, there is a limit to the amount of shares that the staff and workers can subscribe to and control over the amounts of dividends and bonuses. The minority shareholding of the staff and workers can only strengthen the laborers' position as the masters of the enterprise. It will not change the nature of the state's ownership over the enterprise.

2. The joint-stock enterprises that have been set up by raising funds from the community. This means issuing shares to the public and allowing urban and rural people to subscribe to them. Its nature is roughly the same as the issuing of shares to the staff and workers of the enterprises concerned.

3. The enterprises the shares of which are held by other enterprises. This means in the main the issuance of shares to one another by enterprise that carry out lateral cooperation. The enterprises become one another's shareholders and thus set up a corporation system.

4. Joint stock Chinese-foreign joint ventures. Our country's socialist enterprises issue shares abroad to attract foreign businessmen's investment. The shares held by foreign businessmen are private capital which receives surplus value in proportion to the percentage of shares held. However, there is a great difference between these joint stock enterprises and capitalist ones. As soon as capital is combined with a socialist economy, its nature is changed. For a joint stock Chinese-foreign joint venture should submit itself to the people's state power and be restricted by socialist policies.

It is an effective form for our country to draw in foreign capital.

Here, we must make clear an important issue of understanding. The dividends and bonuses paid by a socialist joint stock enterprise are merely a form of distribution. They are distributed in accordance with shareholdings; therefore, this is not a "distribution according to labor" but a "distribution according to funds." However, we should not regard it as being of a capitalist nature on these grounds. For as a proportion of the shareholders are also socialist enterprises, the "funds according to which distribution is carried out" are funds and not capital. As an important economic factor, funds necessarily have the right to own the newly added value. Therefore, the dividends and bonuses paid to an enterprise still belong to the socialist enterprise that holds the shares and are not of a capitalist economic nature. Another portion of the shareholders is staff and workers. The major source of their living expenses is their labor. Dividends and bonuses are only the remuneration for their provision of funds. This is a material encouragement that society gives them for their contribution to the state's construction. Its nature is similar to that of interest paid on bank deposits. We can regard it as the realization day or tomorrow of the value for the laborers' personal consumption that they created yesterday.

CPC OFFICIALS TRY TO BLOCK ARTISTS' EXHIBITION

HK270653 Hong Kong AFP in English 0646 GMT 27 Aug 86

[By Lawrence MacDonald]

[Text] Beijing, Aug 27 (AFP) -- Communist Party officials have moved to block efforts by a group of non-conformist Chinese artists known as "the Stars" to exhibit their works here, a member of the group said Wednesday.

Wang Keping, a Paris-based sculptor who returned recently to organize the exhibition, said a senior Beijing art official had telephoned leading galleries in the capital and ordered them to reject the show. The Stars first got together in 1979, around the time that the "Beijing Spring" dissident movement began calling for more democracy in China. Several of the founding members now reside abroad.

Mr Wang said the order to block the exhibition ran contrary to the open policy and efforts by China's top leaders to enliven the cultural scene by allowing greater freedom in the arts. The group was preparing to appeal the decision to China's top leaders and was hopeful that it could be reversed, he said.

Li Shuang, a painter and founding Star member who spent two years in "re-education through labour" before being allowed to emigrate and marry her French fiance in 1983, said she was surprised and disappointed that the exhibition had run into trouble. Miss Li added, however, that she had returned to China mostly for a private visit and that even if the Stars were not allowed to exhibit this time she hoped to show her work in China in the future. Mr Wang said he and other Star members were in the office of a leading gallery here when the director received a phone call from the party chief of the Beijing Chapter of the National Artists' Association ordering that the exhibition be rejected.

The association official, Guan Bu, reached by AGENCE FRANCE-PRESSE by telephone on Tuesday, refused to discuss the case and denied any involvement. "I don't know anything about it," he said. Reliable Chinese sources said the gallery soon afterwards received a second call from Mr. Guan, who strongly reprimanded the director for revealing his role in cancelling the show. The gallery director declined to comment on the case but urged the reporter to be careful unless "some of us wind up like Li Shuang," in an apparent reference to her two-year jail sentence. Other members of the group, about ten of whom planned to show their work in the exhibition, could not immediately be reached for comment.

The group's first exhibition, held without official sanction in a park here in 1979, featured work by about 30 on-conformist artists, including abstract painting and sculpture that trangressed all canons of official Chinese art. One sculpture in the show by Mr. Wang portrayed Mao Zedong as a Buddha wearing a red star, with one eye open and the other shut, seemingly checking to see who is paying homage and who is not.

A second show was held in 1980 in the Beijing Palace of Fine Art after a long struggle with red tape. It attracted tens of thousands of enthusiastic visitors. In the past few years abstract art has been grudgingly accepted by official circles and a few "non-official" artists have managed to exhibit their works without interference by the authorities, observers said.

In rcent months bounds of artistic expression seemed set to expand even further, with a spate of official speeches and articles urging that "one hundred flowers" be allowed to bloom in all fields of intellectual endeavor.

"Allowing us to exhibit would be good for China. It would show many who doubt the open policy that there really is artistic freedom," Mr. Wang said. "But some people, cultural bureaucrats, are afraid. They were opposed to us in the past and even now they don't want us to be able to show our art," he added.

NATIONAL SEMINAR ON MINORITY-LANGUAGE NEWSPAPERS

SK270549 Hohhot Nei Monggol Regional Service in Mandarin 1000 GMT 26 Aug 86

[Excerpt] A national seminar to exchange the experiences gained in running minority-language newspapers opened in Hohhot City on the morning of 26 August. The seminar was jointly sponsored by the Propaganda Department under the party Central Committee, the State Nationalities Affairs Commission, and the Chinese Reporters' Association. Attending the seminar were responsible persons from the 47 minority-language newspaper offices of the border provinces and autonomous regions throughout the country and responsible comrades from the central departments concerned.

Also attending the seminar that morning were leading comrades of the regional party committee, the regional people's government, and the regional CPPCC Committee, including Ma Zhenduo, Seyinbayaer, and Wuligeng; and responsible persons from the regional departments concerned. At the seminar, the responsible persons from the Propaganda Department under the party Central Committee, the State Nationalities Affairs Commission, and the Chinese Reporters' Association, including (Wang Furu), Yin Haishan), and (Yang Zicai), delivered speeches.

In his speech, Comrade (Yang Zicai) stated: There are two purposes for convening the seminar. One is to study the issue of how to successfully conduct propaganda reforms among the minority-language newspapers under the new current situation in which both economic and political systems have been transformed and how to successfully carry out self-improvement. The other is to study the issue of how to mutually exchange the experiences gained in running newspapers and to explore some new problems cropping up in the work of running minority-language newspapers under the new situation. Through exchanges and studies, efforts should be made to enable the minority-language newspapers throughout the country to better meet the demands set forth by the policy of opening to the outside world and enlivening the domestic economy and by the policy on reforms under the guidance of the party's line, principles, and polices. Proceeding from the actual situations of various localities, efforts should be made to enable the newspapers to have more characteristics, to be the good mouthpiece of the party, to be good teachers and good friends of the vast number of people, and to better render service to the programs of achieving great unity among various nationalities and building the two civilizations.

At the seminar, Ma Zhenduo, Standing Committee member of the regional party committee and vice chairman of the regional people's government, also delivered a speech. [passage omitted]

In particular, he urged various localities to make all-out efforts to make preparations for the victims to tide them over the winter and to provide for and help themselves by engaging in production. He also urged the departments concerned to concentrate their efforts and to race against time to fill the breached enbankment of the Dongliao He as soon as possible and urged leading cadres at all levels throughout Siping City to heighten their confidence, do a good job in conducting ideological and political work among the masses, commend advanced individuals who have scored heroic deeds in combating the flood and rushing to deal with the emergency, and lead the masses to overcome the difficulties by self-reliance in order to rebuild their homes. In the meantime, he urged Jilin Province, Nei Monggol Autonomous Region, and Liaoning Province to do a good job in mapping out plans for successfully taming the Dongliao He by undertaking concerted efforts.

ALL RAILROADS DAMAGED BY FLOODS REOPENED

OW261243 Beijing XINHUA in English 1105 GMT 26 Aug 86

[Text] Beijing, August 26 (XINHUA) -- All of China's railroads damaged by floods this month have been repaired and reopened, the "PEOPLE'S DAILY" reported today. The paper quoted an official of China's Ministry of Railways as saying floods had interrupted service for a total of 480 hours in northeast, north and southwest China.

LI PENG CALLS FOR REFORM OF COLLEGIATE GAMES

OW072331 Beijing XINHUA Domestic Service in Chinese 1357 GMT 7 Aug 86

[By reporter Liu Daen]

[Text] Dalian, 7 Aug (XINHUA) -- Speaking at a recent enlarged session of the Presidium of the Second National Collegiate Games, Vice Premier Li Peng said that future collegiate games should be reformed.

Li Peng said: The number of competition categories should be gradually increased. To accomplish this, elimination series may be held in various localities before the final games.

He said: Collegiate games are aimed at promoting the all-around development of college students -- morally, intellectually, physically, and artistically, school authorities and party and government leadership at various levels should attach importance to the games.

He said: The standards of our college sports are bound to improve. In foreign countries, outstanding athletes often come from colleges. Physical culture in college should aim at improving the students' culture as well as their sporting performance college should become a reservior of sports' talent for our country.

CULTURE MINISTER CONCLUDES XIZANG TOUR

HK121250 Lhasa Xizang Regional Service in Mandarin 1130 GMT 10 Aug 86

[Text] After concluding his investigation and tour in the region, Culture Minister and famous writer Wang Meng left Lhasa on 9 August by plane.

Regional leading Comrades Dangzin and Tudao Doje and responsible persons of the regional CPC Committee Propaganda Department, the regional Culture Bureau, the regional Aationality Affairs Committee, and the regional Federation of Literary and Art Circles wNrmly sent off Comrade Wang Meng.

During their stay in Xizang, Comrade Wang Meng and his entourage attended the Lhasa forum on Tibetan studies, took part in activities of the (Zhi Gong Dang), met cadres above the county level from the region's cultural front, talked with people from Xizang's cultural and art circles on extensive topics, and had a discussion meeting with leading comrades of the regional CPC Committee and government on some relevant problems.

On 8 August, Comrade Wang Meng delivered an important report to cadres from the region's propaganda, cultural, and art fields. After learning about the current cultural work in Xizang, he said that a prosperous situation has appeared in Xizang's cultural work.

Comrade Wang Meng proposed many concrete suggestions or developing cultural work in Xizang.

WAN LI, XINJIANG LEADERS WATCH HORSE RACES

HK120216 Urumqi Xinjiang Regional Service in Mandarin 1200 GMT 11 Aug 86

[Summary from poor reception] On 11 August, Wan Li, menber of the Political Bureau of the CPC Central Committee and Vice Premier of the State Council, watched horse races and displays of horsemanship at the third traditional minority-nationality games in Urumqi. Also present were other central and regional leaders including Liu Lantao, Jiang Hua, Yang Jingren, Burhan, Wang Enmao, Song Hanliang, and Tomur Dawamat.

RENMIN RIBAO SUPPORTS SHORT, GOOD DOCUMENTS

HK251020 Beijing RENMIN RIBAO in Chinese 21 Aug 86 p 1

[Report: "Liaoning's Jinzhou City CPC Committee Gets Rid of Long-standing Malpractice of Indiscriminately Issuing Documents, Makes It a Rule That Documents Must Be Brief"]

[Excerpts] According to a report by LIAONING RIBAO, the Jinzhou City CPC committee, starting from promoting the writing of short and good documents, has introduced a reform of paperwork and has thus given an impetus to the efforts to overcome bureaucracy in leading organs, straighten up the ideological line, and improve work style.

It has been a long-standing phenomenon that documents issued by some leading organs are tediously long, filled with empty words and stereotyped sentence patterns. Such a practice will never help the lower levels in their work but will add to their burden. The Jinzhou City CPC committee decided to get rid of this phenomenon, holding that the leading organs's issuing tediously long documents filled with empty words without considering efficiency is an expression of their bureaucratic style. So, the city CPC Committee gave a definition of "short and good documents," stipulating that no document over 1,000 characters long will be issued, no document filled with empty words and stereotyped sentence patterns will be issued, and no document that simply copies other documents or conveys the ideas of others will be issued. All documents that subordinate and lower-level units request a unit in charge to transmit are subject to a strict screening procedure. [passage omitted]

Since the beginning of this year, the Standing Committee of the city CPC Committee has enhanced the study of theories and the party's principles and policies. Members of the Standing Committee have gone down to the grass roots units and immersed themselves among the masses to carry out investigations. In a down-to-earth manner they drafted more than 10 short but good documents, such as "Invigorating Large- and Medium-sized Enterprises," "Speeding Up Development of Town and Township Enterprises," "Carrying Out Rural Reform in Depth," and have thus played a positive role in guiding the work in all fields.

PEASANTS HELP IMPROVE RURAL ROADS, BRIDGES

OW271037 Beijing XINHUA in English 0753 GMT 27 Aug 86

[Text] Beijing, August 27 (XINHUA) -- Chinese peasants in a government public works program built or repaired 1,200 bridges and 32,000 kilometers of highways in rural areas in 1985, the "PEOPLE'S DAILY" reported today.

The government spent more than 1.1 billion yuan (300 million U.S. dollars) on the projects, the paper said. Peasants received grain and cloth worth 680 million yuan (about 180 million U.S. dollars) as partial payment for their labor.

The government decided in 1985 to spend two billion yuan (540 million dollars) -- including some of the funds it would have spent on relief -- to improve roads in the country's poorest areas, the paper said.

Most areas of China are involved, except for the more prosperous southeast and eastern coast, it said. The projects employed workers from the poorest areas, generally also those with the worst transport facilities.

The paper did not say how many people were involved.

The improved roads and bridges have already helped the economy in some parts of the country, the paper said.

In Gongxian County of Sichuan Province, for example, the output value of rural, community-owned enterprises increased 77 percent over the previous year.

XINHUA ON INCREASE IN FOREIGN VISITORS TO PRC

OW251140 Beijing XINHUA in English 0958 GMT 25 Aug 86

[Text] Beijing, August 25 (XINHUA) -- The number of visitors to the Chinese mainland continues to grow, particularly of those from Hong Kong and Macao, according to the State Statistical Bureau today.

The number of visitors during the first seven months of the year increased 23.6 percent over 1985 to 12.94 million people, including 12.06 million from Hong Kong and Macao.

The number of foreign visitors rose by 7.5 percent to 803,000, the bureau said, and the total income from tourism rose 16.4 percent to 780 million U.S. dollars.

Foreign tourism has grown most this year from Great Britain, the Federal Republic of Germany, Indonesia, Thailand and the Soviet Union, which sent more than 12,000 visitors during the period, 20 percent more than in the first seven months of 1985.

Visitors from the United States increased 18.9 percent to 157,000 people, "a much smaller growth than in previous years," according to the official.

Japanese visitors increased only 3.3 percent to 254,000, while the number from Australia, France and the Philippines dropped.

Earlier this year, the State Council, China's highest governing body, approved an ambitous plan to triple the number of foreign visitors to five million by the end of 1990 and further increase it to 10 million by the turn of the century. Plans call for foreign currency earnings from tourism to reach 1.25 billion dollars by 2000.

One promising area is China travel by people 21 to 31 years old. In the first seven months of the year, the number of visitors from that age group rose 52.2 percent to 239,000.

SHANDONG EXPANDS FOREIGN ECONOMIC RELATIONS, TRADE

SK270431 Jinan Shandong Provincial Service in Mandarin 2200 GMT 26 Aug 86

[Text] Shandong Province has increasingly expanded economic relations and trade with foreign countries. At present, it has established economic and trade ties with more than 140 countries and regions. Over the past few years, leading provincial comrades have led delegations to visit Japan, the FRG, Canada, France, and Singapore and other countries. This has effectively promoted friendly exchange and cooperation with foreign countries in economic and trade activities, technology, culture, and education. At present, our province has established friendly relations with 21 cities of 7 countries, including the DPRK, Japan, Australia, the United States, England, and Mexico.

To meet the needs of opening to the outside world, our province has established 12 agencies and economic and trade enterprises in 7 countries and regions including the United States, Japan, the FRG, Spain, Belgium, Hong Kong, and Macao, of which 4 are agencies stationed abroad, 2 are joint ventures, 3 are enterprises with Chinese investment, and 3 are nontrade joint ventures and enterprises with Chinese investment. According to statistics, since 1982, our province has sent more than 2,900 personnel abroad to undertake construction projects and cooperative labor services. In 1935, a total of $656 million yuan worth of imports and exports were concluded through the imports and exports departments of the province's agencies stationed abroad. Under difficult circumstances, our province's contract project construction groups abroad have persisted in carrying out construction work carefully, and have been praised by the people of various circles in the countries where they are stationed. They have won honor for the motherland and Shandong Province. The residential construction project in Al Jahra, Kuwait, undertaken by the Shandong branch of the Chinese Construction Project General Company, was sucessively completed and praised by the local administrative department. According to briefings by Kuwaiti officials, this construction company was the first foreign construction unit to be commended by the state housing construction general bureau in the construction history of Kuwait.

Through the efforts of the enterprises stationed abroad, our province has initially opened up a new prospect in the cooperative labor services. The Shandong International Economic and Technological Cooperative Company has cooperated with the provincial Marine Products Bureau to run (Ludao) Development Corporation in Guam with Chinese investment. So far, a marine product breeding farm with an area of (? 4,000 mu) has been established. Since its establishment a year ago, this corporation has created a sales volume of some $110,000. The Shandong International Economic and Technological Cooperative Company's ocean fishing vessel in Spain has carried out fishing operations in the Atlantic Ocean.

On 26 August, Vice Governor Ma Shizhong gave a speech at the provincial forum on the work of the organs and enterprises stationed abroad and in Hong Kong and Macao, calling on the organs and enterprises stationed abroad to further display their role of being a window for establishing foreign contacts and to unceasingly promote the work of opening to the outside world.

LIANG BUTING SPEAKS TO SHANDONG SUPPLY DIRECTORS

SW260416 Jinan DAZHONG RIBAO in Chinese 8 Aug 86 p 1

[Text] Recently the provincial Supply Bureau held a forum of directors of various city and prefectural supply bureaus in Shidao to sum up and exchange experiences gained in supply work in the first half of this year, and to study and arrange for work tasks in the future.

Liang Buting, secretary of the provincial party committee, attended the forum to receive all comrades participating in the forum, and to encourage the vast number of cadres, workers, and staff members on the supply front to score new achievements.

In his speech Comrade Liang Buting fully affirmed the achievements and experiences in supply work. He said: Such a good situation in the province's economic development is inseparable from the efforts of the comrades on the supply front. This forum discussed how to ensure a proper growth rate in the province's industrial production in the field of supply work. This shows that our supply work can proceed from the overall situation of the provincial economy, and the supply departments are working hard to attain the industrial growth target. This is an important guiding ideology for the supply work. In terms of how to improve and invigorate the supply market, Comrade Liang Buting pointed out: In developing supply work, we should change the outmoded methods adopted under past conditions for the product economy. In addition to improving the allocation and supply of materials and goods covered by plans, we should concentrate great efforts on improving market work. We should strengthen organization and give guidance to the materials markets in order to reduce blindness in the circulation of materials. On how to support the town and township industries with supply work, Comrade Liang Buting demanded that the products turned out by town and township enterprises in line with the mandatory plan should be incorporated into the materials supply palns. In supplying materials, support should be given to brand-name, high-quality, special, and new products, to products which can earn foreign exhange, and to products which are in short supply in the markets.

The comrades participating the forum conscientiously studied and discussed the speech of Comrade Liang Buting, and studied some measures for reforming the materials supply systems and ensuring an appropriate growth rate in the national economy. These measures include the invigoration of supply enterprises, development of lateral circulation channels, improvement of markets for the means of production, and utilization of the reserve wealth of society.

NONGOVERNMENTAL BANKING ENTERPRISE IN SHANGHAI

OW261716 Beijing XINHUA in English 1448 GMT 26 Aug 86

[Text] Shanghai, August 26 (XINHUA) -- Shanghai's first nongovernmental investment and management banking enterprise was set up today. Local officials described it as a milestone in the reform of the banking system of China's leading industrial center.

Founded and funded by the Shanghai Patriotic Construction Company, the Shanghai Aijian Banking, Trust and Investment Company aims at helping vitalize Shanghai's financial business.

Its business scope includes trust investment and loans in renminbi, trust deposits in foreign exchange within and outside China, trust investment in foreign exchange, overseas loans in foreign exchange and leasing.

In addition, the new bank will serve as a guarantor for foreign loans, contracting projects and investment, and as an agency for safeguarding and handling capital and property. It is also authorized to issue bonds and provide economic consltancy services.

SHENZHEN SEIZES COUNTERFEIT HONG KONG NOTES

HK260956 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1350 GMT 25 Aug 86

[Report: "Shenzhen Seizes Over HK$3 Million in Counterfeit Hong Kong Dollar Notes" -- ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 25 Aug (ZHONGGUO TONGXUN SHE) -- The Shenzhen City Public Security Bureau recently creacked a case of counterfeit Hong Kong dollar notes and seized counterfeit notes worth HK$3.3 million.

On the afternoon of 30 April this year, an employee of Xinyuan Restaurant, a guesthouse in Shenzhen, found HK$1 million worth of counterfeit notes when clearing a guest room. The case was reported to the local Public Security Bureau that very night.

Police investigation showed that the occupants of that guest room, Lu Cheng [7120 2052] and Yeh Shu [0673 2885], had checked out on that day and left the guesthouse at noon. Another employee of the guesthouse, called Jiang, who knew them well, was on leave on that day and had gone to his home in Guangzhou. The policemen immediately drove to Guangzhou and learned that a person called Lu had visited Jiang's house on the night of 1 May. At about 1000 on 2 May, when Lu Cheng and Yeh Shu revisited Jiang's house, they were caught by the policemen, who discovered HK$2.3 million worth of counterfeit notes in Jiang's house.

SHENZHEN PLANS INCREASE IN ELECTRONICS EXPORTS

HK270329 Hong Kong SOUTH CHINA MORNING POST in English 27 Aug 86 Business Post p 2

[By Paul Sham]

[Text] The Shenzhen Electronics Group is set to beef up the city's drive to become a major export-oriented and advanced electronics production base in southern China.

According to senior officials of the group, the Shenzhen Electronic Kit and Complete Set Service Centre and the Consultaton and Decisionmaking Committee will be set up soon to achieve this.

The centre, covering 5,000 sq ft and manned by 50 people, will initially function as a meeting point between academics, investors and traders, both locals and foreigners, in the electronics field. Its services will be free.

At a later stage, the centre will also provide exhibition space for interested parties to display their products or research items.

The centre will initially be located in the group's office building.

An official of the group said a new building will be built when business at the centre picks up.

The consultation and decisionmaking committee, on the other hand, will act as a think tank for the group.

About 20 electronics experts -- local and overseas -- will be recruited as committee members.

The committee will hold regular meetings, while routine work will be handled by its Development and Strategy Research Office, which will be manned by five to seven people.

Officials said the two organizations will be a shot in the arm for the group, which combines the roles of a research institution, a decisionmaking body and an investment and trading company.

While the centre will facilitate the meeting of relevant academics, investors and traders, the committee will act as an advisory body to oversee the macro development of Shenzhen's electronics industry.

Set up in September with the Ministry of Electronics Industry, Guangdong and Shenzhen authorities as shareholders, the group is responsible for mapping out long-term strategy for Shenzhen's electronics industry.

Foreign investors or trades wishing to set up electronics ventures or do business in Shenzhen will have to liaise with the group.

The group is also responsible for co-ordinating the activities of the scores of electronics factories in the zone to help them upgrade the quality of their products.

The president and managing director of the group, Mr Ma Fuyuan, said in Hong Kong recently that a tentative "Yi Tiao Long (One Dragon)" plan for attracting foreign investment is now underway.

This means linking up the production and sale processes, broken down to different areas according to their individual advantages.

For example, a foreign factory can become a dragon head, which is better suited for undertaking research, design and marketing, while Shenzhen can be the dragon's tail, responsible for production.

GUANGXI RECEIVES STATE COUNCIL DISASTER RELIEF

HK261350 Nanning Guangxi Regional Service in Mandarin 1000 GMT 25 Aug 86

[Text] At the end of July 22 counties and cities of our region were seriously affected by Typhoon No 9, torrential rains, and a high sea tide. According to preliminary statistics, the direct economic losses amoounted to 1.12 billion yuan.

After listening to the report on our region's situation, the CPC Central Committee and State Council showed great concern and quickly appropriated disaster relief funds, totaling 395 million yuan, for repairing water conservancy facilities, communications, production, and livelihood. They also provided 5,000 tons of rolled steel, 25,000 tons of cement, 10,000 tons of diesel fuel, 10,000 tons of chemical fertilizers, and a large quantity of gas, kerosene, timber, and asphalt to help these counties and cities restore production and rebuild people's home villages and towns.

In addition, the Ministry of Commerce and Ministry of Light Industry also gave 1.25 million yuan and 480 tons of rolled steel to the grain bureau, supply and marketing cooperative, commerce department, and salt trade company of our region to help the grass-roots units of the disaster areas fight the disasters and provide disaster relief.

GUIZHOU GETS $30 MILLION IN TRADE FAIR ORDERS

HK270343 Hong Kong SOUTH CHINA MORNING POST in English 27 Aug 86 Business Post p 2

[By Olivia Sin]

[Text] China's southwestern province of Guizhou netted more than US$30 million worth of orders during its 11-day trade fair which ended yesterday in Hong Kong.

Provincial officials said business was better than expected and they saw no problem in fulfilling the province's $53 million export target this year.

Guizhou's exports in the first five months of this year stood at $22.5 million and orders from the trade fair alone will bring it close to its goal for the year.

The Guizhou export commodities fair attracted businessmen from more than 1,000 trading firms. Most of the export orders were signed with Hong Kong firms.

Guizhou, a poor and backward province, has set an ambitious goal of doubling its export volume in the next five years to speed up its development.

The director of the province's foreign economic relations and trade department, Mr Wang Peizhi, forecast exports will grow at 15.3 per cent a year to $110 million by 1990.

Part of Guizhou's rapid growth in exports this year is attributed to China's decentralisation policy.

In the late 1970's, most of the province's exports were handled by other coastal provinces and cities which had more highly developed trading channels.

But under China's economic reforms giving more autonomy to regional authorities, Guizhou has been allowed to export its products directly without going through other cities.

Last year, the province's direct exports reached about $40 million, representing 60 per cent of its total export volume, with the remaining 40 per cent handled by other provinces.

Mr Wang said the province's direct exports will rise to 80 per cent of the total this year since it has expanded its trading channels.

Apart from staging its first trade fair in the territory, the province also recently opened a trade representative office, Guida Co. in Hong Kong.

A spokesman for the fair said the best-selling items at the fair were minerals and metals such as abrasives, coal, mercury and steel alloy.

It is estimated about 40 per cent of Guizhou's exports comprise minerals and metals, 22 per cent are agricultural byproducts, 15 per cent foodstuffs and oils, and the remainder machinery and light industrial goods.

YUNNAN HOLDS MEETING ON CONTROL OF FILMS, VIDEOTAPES

HK230928 Kunming Yunnan Provincial Service in Mandarin 1000 GMT 21 Aug 86

[Text] To strengthen the control over the showing of videotapes, the Ministry of Radio, Cinema, and Television has decided that in the future, the China Film Distribution and Screening Company will publish and distribute Chinese and foreign films and videotapes in a unified way. Beginning 1 September, without the approval of the Ministry of Radio, Cinema, and Television, no literature and art videotapes are allowed to be sold, rented, or shown in public.

In view of this, the Audio and Videotape Management Department of the provincial Radio and Television Department and Film Distribution and Screening Company held a meeting to specially look into the work of the distribution and control of all films and videotapes throughout the province.

Responsible comrades of the propaganda departments of the provincial CPC Committee, provincial Culture Department, and provincial Radio and Television Department have demanded that all audio and videotape management departments and film distribution and screening departments throughout the province straighten out their guiding work ideology, regard social benefits as the supreme criterion, take the overall situation into consideration, and really do well in distributing and controlling the films and videotapes in coordination with each other.

RENMIN RIBAO HAILS DALIAN PORT'S EFFICIENCY

OW141216 Beijing XINHUA in English 1146 GMT 14 Aug 86

[Text] Beijing, August 14 (XINHUA) -- The port city of Dailian received front-page prominence in today's PEOPLE'S DAILY for showing the way to improve governmental efficiency.

Quoting city Mayor Wei Fuhai and other city leaders, the paper said that it won't do to wait until the completion of the political system restructuring being discussed nationwide, which aims in part at improving efficieincy.

The city leaders are of the opinion that rendering good service is the best way to improve efficiency, and that provided leaders work accordingly, it will be easy to solve many problems which seemed to be impossible to solve.

The paper cited the example of delayed unloading of incoming foreign ships, a problem now plaguing most of China's ports.

But things are different in Dalian, where unloading of all foreign ships was completed on schedule in the first six months of this year.

The secret, according to the paper, was that the city had a new practice of sending quarantine and customs officers aboard the ships anchored at sea waiting for empty berths.

In the past, only when ships were berthed would they be able to go through quarantine and customs procedure before unloading was done, the paper added.

City leaders call tourism and the port the "wings" of the city's economic take-off. But poor efficiency resulting from red tape had bound the "wings" tight, they are reported to have said.

The solution to the unloading problem resulted from an efficiency drive launched by the city government at the beginning of this year.

One way of boosting efficiency is to call joint work sessions of different offices to examine major issues. This has proved to be effective to avoid the "ball-kicking" practice, which is also common when layers upon layers of bureaucracy are involved. Some 90 knotty problems have been solved at such sessions, the paper said.

A rolled steel mill once submitted a report to a dozen city government offices for permission to institute the piecework system for its furnacemen. The report was passed from one office to another and nothing came of it until it was approved at a joint session of these offices. But, as a result of the new system the mill's labor productivity in June rose 36.8 percent over the average for the first five months and the profits, 40 percent.

The city government has also set up a special office to check how decisions are implemented.

HEILONGJIANG SECRETARY SPEAKS ON LATERAL TIES

SK270742 Harbin Heilongjiang Provincial Service in Mandarin 0900 GMT 26 Aug 86

[Excerpt] At today's meeting of responsible comrades of the departments and commissions of the State Council who are making a visit to our province to attend the national conference on lateral cooperation, and heads of the delegations from brotherly provinces, municipalities, and autonomous regions. Sun Weiben, secretary of the provincial party committee, said: Comrades of brother provinces, municipalities and autonomous regions are welcome to give full play to their knowledge and skills in Heilongjiang Province, and, particularly, the comrades in Heilongjiang should make efforts in order to turn the province's natural resources into economic resources.

This morning at the (Huayuancun) Guesthouse, leading comrades of the provincial party committee and the provincial government, including Sun Weiben, Hou Jie, Chen Yunlin, Zhu Dianming, Wang Lianzheng, He Shoulun, and Liu Zhongli, held talks with the responsible comrades of the departments and commissions of the State Council who are participating in the national conference on lateral cooperation, and with the heads of the delegations from brotherly provinces, municipalities and autonomous regions.

At the meeting, Sun Weiben introduced the participants to the situation of Heilongjiang Province. He said: Although Heilongjiang Province is comparatively rich in natural resources, it still lags far behind in terms of ecomomic development when compared with its brother provinces. From a historical viewpoint, Heilongjiang is an old are, but it is a new area in terms of carrying out the policy of opening to the outside world and enlivening the domestic economy. Being located in the northern frontier of the country, Heilongjiang has advantageous conditions for developing border trade. However, we are still inferior to our brother provinces in the southern part of the country in terms of opening to the outside. Developing lateral economic cooperation is the only way for enlivening Heilongjiang's economy because the province is backward in this regard.

With regard to further developing the economic cooperation between Heilongjiang and other provinces, municipalities, and autonomous regions, Sun Weiben said: First, we must start from within to completely eliminate the outdated idea of natural economy and to foster a new idea of planned commodity economy to enthusiastically develop lateral economic cooperation. Besides conducting ideological education among the cadres and the masses across the province, at present we must sort out [words indistinct] regulations in the policies formulated in the past. We are going to adopt legal formalities to abolish the regulations unfavorable to the implementation of the policy of opening to the outside world and enlivening the domestic economy and the regulations unfavorable for the brother provinces and municipalities to conduct cooperation with our province, so as to open the gate of Heilongjiang wide to the outside world.

Second, in line with the principle of equality and mutual benefit, we are going to further carry out the policy of giving preferential treatment to those who conduct cooperation with us, ensuring that they have good prospects of gains. Although we advocate commodity economy, we persist on a communist path. We really welcome other provinces and municipalities and the enterprises from other places to economically cooperate with us and [words indistinct].

Third, Heilongjiang Province must do its duty to enhance the organization and coordination of the northeast China cooperation zone.

Fourth, we are going to build Harbin City into an international open city focusing on developing foreign trade [words indistinct]. [passage omitted]

HONG KONG

EXPATRIATES ALLOWED TO RUN FOR OFFICE AFTER 1997

HK260443 Hong Kong SOUTH CHINA MORNING POST in English 26 Aug 86 p 2

[By Chris Yeung]

[Text] Expatriates will be able to vote and stand for public office after 1997, providing they have lived in Hong Kong for seven years, members of the Basic Law Drafting Committee decided yesterday.

But expatriates will be barred from holding posts as chief executive or among the upper echelons of the Special Administrative Region administration government.

Co-convenor Mr Louis Cha said members thought the expatriates should be included in the political set-up, as a means of ensuring stability and prosperity for Hong Kong.

But the expatriates will not be qualified to vote in, or to be elected to, the China's National People's Congress if Hong Kong delegates are included after 1997, said Mr China.

The sub-group on inhabitants' rights and obligations earlier agreed in principle during its July meeting in Zhuhai that existing political rights of expatriates should remain the same after 1997.

Confusion has arisen over the definition of the terms "inhabitants, local inhabitants and permanent residents" which are used in current laws and the Joint Declaration in the political rights sections.

The Sino-British pact stated that the future government shall be formed by local inhabitants, but the terms have no legal power under existing laws.

Mainland co-convenor, Mr Xiao Weiyun, said they agreed that there shall be no difference between local inhabitants and permanent residents.

SUB-GROUP MULLS DECISION ON FUTURE CHIEF EXECUTIVE

HK270357 Hong Kong HONGKONG STANDARD in English 27 Aug 86 p 5

[By To Yiu-ming]

[Text] Xiamen: Beijing will have actual rather than ceremonial power in picking the Chief Executive of Hong Kong after 1997, THE STANDARD learned yesterday.

The candidate chosen through either consultation or election process will have to win the approval of Beijing before he or she is appointed.

China could refuse to appoint any person who does not satisfy them, according to the consensus reached yesterday by the Basic Law Drafting Committee sub-group on political system.

Yesterday's conclusion would end whether China should give its consent to whoever is chosen locally as the Chief Executive, which is not specified in the Sino-British Joint Declaration.

It is understood that some Hong Kong members on the Drafting Committee proposed to seek Beijing's opinions on candidates before the selection process in order to avoid any embarrassing situation that Beijing may say no to the candidate.

But the STANDARD learned the proposal has been turned down by a senior official from Beijing's Hong Kong and Macao Affairs Office.

The official was quoted as saying the Central Government would formally make the rulng only after the candidate is chosen in Hong Kong so as to comply with provisions in the Joint Declaration.

According to the Joint Declaration, the Chief Executive would have to be returned by local consultation or election and the result would be submitted to the Central Government for approval and appointment.

During yesterday's meeting, members generally preferred the method of election to consultation in selecting the Chief Executive. But they were divided on how the future Governor is to be elected.

Mr Louis Cha, one of the co-convenor of the subgroup, said the discussion was centered around the concept of an electoral college.

A spectrum of options was debated ranging from a one-man-one-vote system to an elite group to pick the future Governor, he said.

Between two extremes, he said, there were suggestions such as an electoral college to select the candidate who then would have to win the approval of the general public in a referendum.

The subgroup will meet again in early November before submitting their recommendations to the third meeting of the whole Drafting Committee.

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PRC EXPELS 'CHILDREN OF GOD' MEMBERS

OW281429 Beijing XINHUA in English 1359 GMT 28 Aug 86

[Text] Guangzhou, August 28 (XINHUA) -- Four foreign members of the pseudo-religious sect known as "The Children of God" have been told to leave China. This was announced by the Public Security Department of Guangdong Province here today. The police did not reveal the names or nationalities of the four but said that they had been teaching foreign languages in colleges in Guangzhou.

It is learned that "The Children of God", which claims to be a sect of Christianity, has over the past few years sent members to China to recruit new members through such means as teaching foreign languages and promoting sexual promiscuity among young people.

According to the police, the four foreigners made contacts with Chinese young people in public places and spread licentious ideas among them. They secretly recruited a number of Chinese young people from local colleges and hotels. The police said that since their activities were against Chinese law, they were fined and the obscene material they had illegally brought into China was confiscated.

SEMINAR VIEWS EXPANSION OF TRADE WITH PRC

OW281511 Tokyo KYODO in English 1039 GMT 28 Aug 86

[Text] Jakarta, Aug. 28 KYODO -- A high official of U.N. Economic and Social Commission for Asia and the Pacific (ESCAP) Thursday called on member countries of the organization to take advantage of China's open door policy to expand trade with that country.

"The People's Republic of China represents such a potential market with its large population and abundant natural resources," Shah A.M.S. Kibria, executive secretary of ESCAP, told a one-day seminar on trade with China.

"China holds potentials to become a major buyer and seller in the world market," he said in a message read for the seminar, which was sponsored by ESCAP, the Chinese Government and the Indonesian Chamber of Commerce and Industry. Kibria, a Bangladesh national, said China has launched a trade liberalization scheme and opened its door to investment from countries in the region.

The seminar, attended by over 150 businessmen and officials of ESCAP, China and Indonesia, is part of a series of seminars on trade with China to provide opportunity for Chinese businessmen and officials to study mechanics, structure and function of trade in the region. A similar seminar was held in Singapore earlier this week and another one is scheduled in Bangladesh next week.

Sukamdani Sahid Gitosardjono, chairman of the Indonesian Chamber of Commerce and Industry told the seminar that Indonesia's direct trade with China comprised exports of 210 million dollars and imports of 60 million dollars. Indonesia and China resumed direct trade in July last year after a suspension of 18 years since 1967 when Indonesia suspended diplomatic ties following an abortive communist coup attempt in 1965. Indonesia accused China of complicity in the coup.

An official of the Chinese Foreign Trade Ministry, Li Wei, told the seminar that China has projected a four-fold increase in its foreign trade to 160 billion dollars by the end of this century.

RENMIN RIBAO ON U.S. 'PUNISHMENT' OF LIBYA

HK290953 Beijing RENMIN RIBAO in Chinese 29 Aug 86 p 6

["Random Notes" column by Sai Bei: "Is 'Punishment' Still Necessary?"]

[Text] U.S. officials are again discussing "punishing" Libya by "taking various actions."

We do not need to say that the bombardment of Libya in April brought about condemnation against the United States throughout the world and its home situation was rather strained for a time. The U.S. Government feared that Libya would take revenge against the United States by attacking its homeland, which was heavily guarded. In suspense, they waited for something to happen, suspicious of danger in the slightest sound, and the people had great compliants against it. However, the White House has so far failed to produce concrete evidence to prove that Libya is the culprit of world terrorism. This landed the United States in a completely irrational position. The American people condemned the U.S. action in Libya, and its allies publicly disagreed with the action. In the end, in the action to "punish" Libya, the United States itself had been punished.

Several months have now passed, and no foreign terrorism has taken place in the United States, nor has much terrorism taken place in the world, but the United States is turning up its volume. As before, they lack concrete evidence this time as well, but base their charges on such characteristic statements as "we certainly believe" and "according to information."

If any country based its military action on such sayings, our planet would have been smashed by nuclear bombs time and again. Therefore, we can see that the United States has the guts to deal with only such a small nation as Libya, with such sayings as grounds for its actions. A Chinese saying goes, "The God of Thunder will bully even the weak." Honestly, this practice is not honorable for a superpower like the United States.

Of course, no country in the world has ever liked international terrorism, but how did it happen? In the final analysis, the abnormal international politics and relations have created it. Dealing with terrorism by "punishing" a single country can only prove that the United States dares not look seriously into the roots of terrorism.

BEIJING-U.S. JOINT PRODUCTION VENTURE ESTABLISHED

SK290947 Beijing BEIJING RIBAO in Chinese 17 Aug 86 p 1

[Text] The Beijing Babcock Wilcox and Corporation, the first joint venture for producing power station equipment in China, was established in Beijing on the afternoon of 16 August. This corporation is jointly financed by the Beijing boiler plant and the Asian corporation of the Babcock and Wilcox Company in the United States. The total investment is $30 million. Both sides have to share 50 percent of the investment. The joint operation period will last for 20 years. The Babcock and Wilcox Company is one of the world famous power station boiler manufacturers. This point venture will apply the company's advanced technology and standard of quality to produce boilers for large power stations on a world-advanced level. Part of the products may be used for export. Zhang Jingfu, state councillor; Lin Zongtang, vice minister of the state Economic Commission; Chen Xitong, mayor of Beijing Municipality; Han Boping, vice mayor; officials of the American Embassy and the Canadian Embassy in China; and the general manager of the American party of the joint venture attended the inaugural ceremony held at the Beijing boiler plant yesterday.

HEILONGJIANG TO BOOST TRADE WITH SOVIET UNION

OW281438 Beijing XINHUA in English 1344 GMT 28 Aug 86

[Text] Harbin, August 28 (XINHUA) -- China's northernmost province of Heilongjiang will expand its border barter trade with the Soviet Union through developing cooperation with the interior parts of China, a local senior official said today.

At a symposium sponsored in this capital of Heilongjiang Province today, economic officials from various provinces, municipalities and autonomous regions, and 110 cities, who came here for a meeting on inter-regional cooperation, studied the possibility of such expansion.

Officials from Guangdong, Fujian, Shandong, Hebei, Jiangxi, Jiangsu, Shanghai and Tianjin all expressed their hope to expand trade with the Soviet Union in cooperation with Heilongjiang, said Li Ji, deputy director of the Heilongjiang Provincial Foreign Economic Relations and Trade Office.

The cooperation will be in three forms: Heilongjiang will purchase export goods from these places; it will act as an agent in their export; and it will run export-oriented factories jointly with the provinces and cities.

China has granted certain decision-making powers to frontier regions concerning border trade. To encourage trade with the Soviet Union, it exempts or reduces customs duties for some Soviet goods.

Heilongjiang resumed border trade with the Soviet Union in 1983 and the value went up at an annual average rate of 44 percent to reach 32.5 million Swiss francs last year. It signed trade contracts worth 24.87 million Swiss francs with the Soviet Union in the first half of this year.

MOSCOW MEETING MARKS CHINA'S NORTH EXPEDITION

OW281005 Beijing XINHUA Domestic Service in Chinese 0211 GMT 27 Aug 86

[Text] Moscow, 26 Aug (XINHUA) -- The Union of Soviet Societies for Friendship and Cultural Relations with Foreign Countries and the Soviet-Chinese Friendship Society held a report meeting at the "House of Friendship" in Moscow tonight to mark the 60th anniversary of China's North Expedition.

At the meeting, (Boris Chekov), chief researcher of the Soviet Military History Research Institute, talked about the situation in China's North expedition and its significance in the history of the Chinese revolution.

(Moyesevich), who worked as a military advisor in China at the time of the North Expedition, and (E. Poshidin), head of the Chinese Department of the Soviet Veteran Fighters Association, talked about their experience when they worked in China.

HAO JIANXIU DELEGATION ARRIVES IN WELLINGTON

OW281313 Beijing XINHUA in English 1221 GMT 28 Aug 86

[Text] Wellington, August 28 (XINHUA) -- A delegation of the Communist Party of China (CPC) arrived here this evening for a two-week visit to New Zealand at the invitation of the ruling Labor Party.

Headed by Hao Jianxiu, member of the Secretariat of the CPC Central Committee, the delegation will attend the 70th anniversary conference of the Labor Party here tomorrow.

The CPC delegation's tour is a return visit. A Labor Party delegation headed by President Margaret Wilson visited China in May last year. The CPC delegation is scheduled to visit a number of cities in New Zealand.

YAO YILIN MEETS AUSTRALIAN BUSINESSMAN, PARTY

OW271201 Beijing XINHUA in English 1128 GMT 27 Aug 86

[Text] Beijing, August 27 (XINHUA) -- Chinese Vice Premier Yao Yilin met here today Brian Massy-Greene, chairman of the Pacific Dunlop Ltd. of Australia, and his party.

Dunlop, one of the largest industrial corporations in Australia, has been named by the United States magazine "FORTUNE" as the No. ten most successful corporation in overseas operation.

Massy-Greene told Yao that his corporation has invested in Chinese factories manufacturing leather shoe parts and socks and hopes to invest in leather processing industry as well. Products will be sold in Australia and the United States.

Yao welcomed Dunlop to invest in China. He said that as China is trying to expand its exports, those export-oriented joint-ventures have great potentials. He wished success to cooperation between Dunlop and Chinese firms.

Dunlop is also planning to invest in tire and battery factories in China, sources said.

SINO-AUSTRALIAN EDUCATION MEMORANDUM SIGNED

OW271247 Beijing XINHUA in English 1204 GMT 27 Aug 86

[Text] Beijing, August 27 (XINHUA) -- A memorandum of understanding of future exchanges and cooperation in education between China and Australia was signed here this afternoon.

He Dongchang, vice-minister in charge of the State Education Commission, and the Australian Minister for Education Susan Ryan signed the memorandum on behalf of their respective countries.

After Minister Ryan arrived here early this week, she had talks with He Dongchang and gave a lecture on education in Australia in the Beijing Foreign Languages Institute.

IRANIAN MINISTER DENIES CHINESE ARMS SALES

HK291130 Hong Kong AFP in English 119 GMT 29 Aug 86

[Text] Beijing, Aug 29 (AFP) -- An Iranian minister fresh from meetings with Chinese officials here Friday strongly denied U.S. allegations that China had become the top arms supplier to Iran.

"We deny the U.S. allegation," said Petroleum Minister Gholam Aqazadeh. "We deny any sales of arms to Iran by China."

U.S. press reports Tuesday cited unidentified Reagan Administration officials as saying that China had become Iran's largest arms supplier despite U.S. efforts to stop the trade.

The officials were quoted as saying that Washington was concerned that the arms supplies would tip the balance in the six-year-old war between Iran and Iraq in Teheran's favor.

China is officially neutral in the war and has repeatedly denied selling weapons to either side. U.S. officials charge that Beijing sells to both.

Mr Aqazadeh, here on a two-day seeking Chinese support for efforts by the Organization of Petroleum Exporting Countries (OPEC) to trim world oil production and stabilize prices, said he was "very satisfied, very happy" with Chinese declarations of support.

Chinese officials with whom he met had agreed to cut China's oil exports, with the exact amount of the cuts to be announced by the Chinese themselves shortly, he said.

Commenting on a recent visit he made to the Soviet Union, Mr. Agazadah said Moscow had agreed to cut its oil exports to non-socialist countries by 100,000 barrels a day during September and October to show its support for OPEC.

"An agreement was signed with the Soviet Union emphasizing Soviet support for the struggle of the Third World against imperialism," said. "The Soviet Union expressed its disagreement with the United States' role in initiating the (oil) price decline."

Mr. Aqazadeh, who spoke reporters here following meetings with Chinese Vice Premier Wan Li and Petroleum Minister Wang Tao, said he had received a warm response to a proposal that oil experts from the two countries meet annually to exchange views.

The NEW CHINA NEWS AGENCY (NCNA) quoted Mr. Wan as saying that China had cut its crude oil exports in the first half of the year and would support OPEC's efforts to stabilize the oil price. No statistics were given.

China produced almost 340 million barrels of crude oil in the first six months of the year, an increase of 2.2 percent over the same period in 1985, official figures showed.

Mr. Aqazadeh said he believed the difference between China's increased output and declining exports could be accounted for increased domestic consumption.

China's export cuts would have limited effect on the world oil prices but were of considerable political importance because it demonstrated China's support for OPEC, he said. "It is very valuable for us," he said.

During his visit to the Soviet Union, the two sides agreed to study for three months the possibility of Iran supplying gas to the Soviet Union's southern republics. Discussions on price and quality would begin after the studies, he said.

The two sides would also study the possibility of Iranian involvement in exploration and development of oil the Caspian Sea through leasing or sales of equipment, Mr. Aqazadeh said.

Xinhua Reports Denial

OW291316 Beijing XINHUA in English 1226 GMT 29 Aug 86

[Text] Beijing, August 29 (XINHUA) -- Gholam Aqazadeh, the Iranian oil minister, said here today that China's support for OPEC's decision to reduce oil output is valuable.

He said that China, as a non-OPEC oil producer, could play an important role in the plan for OPEC members to reduce their oil output in September and October this year.

Speaking to reporters in the Iranian Embassy, he said that Iran has been able to "convince the OPEC members to decrease the level of production" and is planning to "convince the non-OPEC oil producers, such as China, to cooperate" with the policy. He described his talks with Chinese officials as "fruitful and constructive."

The minister also denied that there had been any arms sales by China to Iran and said his talks with Chinese officials hare did not touch upon the topic of arms sales.

The Iranian visitors are scheduled to leave here for home this evening.

Minister Meets Wan Li

OW290952 Beijing XINHUA in English 0931 GMT Aug 86

[Text] Beijing, August 29 (XINHUA) -- Chinese Vice Premier Wan Li today voice China's support for OPEC countries' agreement on reducing oil production and said the agreement will contribute to the stability of world economy.

Speaking at a meeting with Iranian Oil Minister Gholam Aqazadeh here this morning, Wan said China had cut down on its crude oil export in the first half of thir year.

Aqazadeh said members of the Organization of Petroleum Exporting Countries had reached agreement on oil reduction and they hoped to get support and cooperation from non-OPEC countries so as to stablize oil prices.

The minister also made some proposals on cooperation in oil industry between Iran and China. Wan responded favorably.

Following his arrival here yesterday, Aqazadeh had held talks with Chinese Minister of Petroleum Industry Wang Tao.

INDIA SEEKS 'TO CAUSE TROUBLE' ON PRC BORDER

HK281301 Hong Kong WEN WEI PO in Chinese 28 Aug 86 p 2

[Editorial: "Who Is Making Trouble on the Sino-Indian Border?"]

[Text] With the seventh round of Sino-Indian border talks just completed, Indian Prime Minister Rajiv Gandhi has suddenly accused Chinese personnel of crossing the so-called "legal" international border (the McMahon Line) in June and intruding into "Indian territory" in the Sangduoluo River valley area.

Gandhi even said that "China's June incursion was aimed at forcing India to depart from its independent foreign policy."

Indian censures of a so-called "incursion" are groundless. Chinese personnel have never intruded across the Indian border. Even reckoning by the illegal "McMahon Line," the Sangduoluo valley area lies to the north of the latitude it stipulates. This talk of "incursion" is purely aimed at meeting propaganda needs. It should be pointed out that the "McMahon Line" is absolutely not an international border; it is a product of the British colonialists' aggressive policies against China's Xizang. Not even the colonialists dared to mark it on the map. Official Indian maps published in the 1950's also show the Sino-Indian border as "not yet demarcated." The Government of the New China today will absolutely not recognize this illegal border.

During the seventh round of Sino-Indian border talks, the Indian side proposed that the illegal "McMahon Line" be regarded as "the legal international border," as a basis for resolving the border issue. This is saying, without any basis whatever, that the Simla Conference of 1914 had already resolved the Sino-Indian border issue. Such an unreasonable attitude naturally cannot lead to progress in the border talks. Since India could not get what it wanted at the conference table in July, it came out in August with talk of a June Chinese "incursion" into the Sangduoluo River area.

It merits attention that the 18 August HINDUSTAN TIMES openly blackmailed China, saying: India can make China realize the seriousness of the border issue by changing its attitude toward the status of China's Xizang. India will not recognize Xizang as part of China. India only has full reason to uphold the McMahon Line if it regards Xizang as a sovereign state qualified to sign the Simla Agreement.

It is very evident that India not only wants to cause trouble on the border issue but also seeks to stir up an issue of "Xizang independence."

Why is India behaving like this? The HINDUSTAN TIMES mentioned the thaw on the Sino-Soviet and Sino-Mongolian borders, saying that this had "diluted the Indian-Soviet treaty of friendship." Is India seeking to make trouble on the Sino-Indian border to gain Soviet military assistance so as to strengthen the "Indian-Soviet treaty of friendship?"

The Soviet trend to withdraw troops from Afghanistan has caused India to say that the influence of Pakistan has expanded and that India's protecting umbrella may be folded. India thinks that having the Soviet Union intervene in the subcontinent and maintaining the tension there suits Indian interests. This is an extremely unwise way of thinking.

Peaceful construction is the strong demand of the peoples of the world, and also the common demand of the Chinese and Indian peoples. Moves to cause confrontation between blocs and attach oneself to a large country in order to harm others and benefit oneself do not benefit regional peace and stability. China is sincere about improving Sino-Indian relations and solving the border problem. China needs a peaceful environment to carry out its construction. Only through mutual accommodation and concession can a way be found to resolve the problem; it cannot be resolved by wanting a superpower to act as a military backer and deliberately complicating the issue.

CULTURAL AGREEMENT SIGNED WITH BANGLADESH

OW260558 Beijing XINHUA in English 0553 GMT 26 Aug 86

[Text] Beijing, August 26 (XINHUA) -- China and Bangladesh signed an executive program under their agreement for cultural cooperation here today.

According to the program, which covers 1986 to 1988, the two countries will exchange delegations and art ensembles, provide scholarships for each other's students and exchange television programs and books.

Chinese Vice Minister of Culture Liu Deyou and Bangladesh Ambassador to China Enayetullah Khan signed the program.

PRC, ASIAN INDUSTRY SYMPOSIUM OPENS IN FINLAND

OW271907 Beijing XINHUA in English 1422 GMT 27 Aug 86

[Text] Helsinki, August 26 (XINHUA) -- China's policy of opening to the outside world and its domestic economic reforms have convinced Western nations of the need for wider economic ties with China, a Finnish trade official said today.

Veikko Valila, Finnish industry secretary in Hong Kong, made the remarks at a symposium on Chinese and Southeast Asian industry, which opened today in Helsinki.

With its economic development, Valila said, China, a Third World country but not one with a huge foreign debt, has become one of the most important markets in the world.

He suggested Finland expand its cooperation with China in forest processing, mineral machinery, energy, and harbor equipment before other Western nations beat the Nordic nation to the opportunities in China.

The symposium, sponsored by the Finland's Ministry of Trade and Industry, is aimed at strengthening trade and industrial relations between Finland and Asian countries.

More than 100 representatives from Finnish industry and the financial and foreign trade sectors are attending the symposium.

MU QING MEETS VISITORS FROM CYPRUS 28 AUG

OW281207 Beijing XINHUA in English 1005 GMT 28 Aug 86

[Text] Beijing, August 28 (XINHUA) -- Mu Qing, director-general of the XINHUA NEWS AGENCY, met Kypros Psyllidhis, director of the Press and Information Office of Cyprus, and his wife and gave a luncheon for them here today.

While in Beijing Kypros Psyllidhis signed an agreement with XINHUA on news exchange and cooperation. According to the agreement, both sides will exchange news and news photos free of charge.

The Cyprian visitors left for home this afternoon.

'UNUSUAL SIGNIFICANCE' OF HONECKER VISIT TO PRC

HK290320 Hong Kong TA KUNG PAO in Chinese 29 Aug 86 p 1

["Political Talk" column by Shih Chun-yu: "Great Significance of East German Chairman's Official Visit to China"]

[Text] Honecker To Visit China in October

The PRC Ministry of Foreign Affairs officially announced on 27 August that Honecker, chairman of the GDR Council of State, will pay an offical visit to China at the end of October. He will be coming at the invitation of General Secretary Hu Yaobang and Chairman Li Xiannian.

Honecker is the number one figure in East Germany. He is both head of state and general secretary of the Central Committee of the Socialist Unity Party of Germany. He thus heads both the party and the state. That his visit to China was simultaneously announced by the foreign ministers of China and the GDR suffices to show that both countries attach extremely great importance to this diplomatic move.

In particular, Gorbachev stated in his Vladivostok speech on 28 July that some new moderating factors have appeared in Sino-Soviet relations. That China is officially receiving the East German head of state, marks the first breakthrough in inter-party relations with Eastern Europe, except for Yugoslavia and Romania, since the 1960's, when they were affected by the freeze in Sino-Soviet relations.

China, Eastern Europe Strengthen Ties

Eastern European diplomats in Beijing take this view: After Honecker visits China, he will propose a date for CPC General Secretary Hu Yaobang to pay a return visit. After Honecker's visit, Poland, Hungary, and other countries that have already restored relations with China to a certain extent will further strengthen their ties with Beijing.

Hungarian Vice Premier Praises Economic Reforms

The remarks of Lajos Faluvegi, vice chairman of the Council of Ministers of Hungary (that is, vice premier) and chairman of the National Planning Office, who is now visiting China and was in Guangzhou yesterday, prove that the countries of Eastern Europe greatly admire China's policy of opening up and economic reforms. When meeting Zhao Ziyang in Beijing on 27 August, Faluvegi said that Sino-Hungarian economic cooperation has entered a new stage. Through the common efforts of both sides, the economic and trade relations between the two countries will enjoy still greater development, and we need to adopt a variety of forms to expand cooperation; apart from traditional inter-government trade, we should open up some more fields. Yesterday the Hungarian vice premier stated even more frankly that he greatly admired the results of China's economic reforms, and added that a common experience of both China and Hungary is that it is essential to resolutely implement such reforms.

Indications of Development in Party Relations

Both Hungary and Poland are actively implementing economic reforms in Eastern Europe. In his capacity as PRC Foreign Minister, Wu Xueqian paid the first visit of a Chinese foreign minister for more than 20 years to East Germany and Hungary in May and June this year. In recent years Eastern European countries and China have signed 5-year trade agreements, and economic, cultural, and scientific and technological exchanges have occurred. Exchange visits at the vice foreign ministerial level took place last year. Hence, there is indeed unusual significance in Honecker's visit as the first visit to China of an Eastern European head of party and state, apart from Yugoslavai and Romania.

There are no "three big obstacles" between China and the countries of Eastern Europe, and it is expected that inter-party relations with them will be easier to improve than Sino-Soviet party relations. The strengthening of ties between China and Eastern Europe will benefit the peoples of the two sides and also world peace.

ZHAO ZIYANG MEETS ROMANIAN ASSEMBLY DELEGATION

OW281301 Beijing XINHUA in English 1212 GMT 28 Aug 86

[Text] Beijing, August 28 (XINHUA) -- Premier Zhao Ziyang today expressed the hope that China and Romania would expand their existing bilateral economic and trade relations in a down-to-earth manner.

At a meeting with a delegation from the Romanian Grand National Assembly headed by its chairman Nicolae Giosan, Zhao said he was confident of the prospects of such expansion becaue Sino-Romanian economic and trade relations have witnessed new progress in the past few years. A long-term trade agreement signed last year provides that by 1990 the bilateral trade volume will reach 14 billion Swiss francs.

Zhao said that during his visit to Romania earlier this year he had had an in-depth exchange of views with Romanian leaders on exploring ways to achieve the goal. "Now, related departments of the two sides are working on it and I am full of confidence for its sound development," he added.

Goisan hoped the two sides would continue their efforts to ensure the implementation of the agreement so as to achieve the goal or even surpass the target set by the two sides.

Zhao said China and Romania have very good political relations. He believed that the delegation's visit would help promote the development of the relations between the two countries.

Goisan attributed the good relations to the principles the two sides established from the very beginning on the basis of mutual respect, equality and mutual benefit, and non-interference in each other's internal affairs.

On hand were Geng Biao, vice-chairman of the host National People's Congress (NPC) Standing Committee, and Wang Hanbin and Zhang Zhen, secretary-general and member of the NPC Standing Committee, respectively. Romanian Ambassador to China Angelo Miculescu was also present.

HUNGARY'S FALUVEGI VISITS GUANGDONG PROVINCE

OW281433 Beijing XINHUA in English 1349 GMT 28 Aug 86

[Text] Guangzhou, August 28 (XINHUA) -- China has made great achievements in its economic reform, said Lajos Faluvegi, vice-chairman of the Council of Ministers and chairman of the National Planning Office of Hungary, during his visit here.

Faluvegi and his party flew into Guangzhou by a special plane from Beijing early this week, accompanied by Song Ping, Chinese state councillor and minister in charge of the State Planning Commission. Faluvegi also said that China and Hungary share similar experiences in economic restructuring. They have found the road they have embarked on to be of vital importance to their respective countries and the improvement of their peoples' living standards.

Yesterday evening Ye Xuanping, governor of Guangdong Province, held a banquest in honor of Faluvegi ;and his party. During his stay in Guangdong, he visited a peasant market, called on worker and peasant families, and toured a joint-venture enterprise and the industrial area in the Shekou Special Economic Zone. Faluvegi and his party left here for Guilin this afternoon.

LI PENG MEETS CSSR METALLURGY MINISTER 28 AUG

OW281442 Beijing XINHUA in English 1342 GMT 28 Aug 86

[Text] Beijing, August 28 (XINHUA) -- Vice-Premier Li Peng met Czechoslovak Minister of Metallurgy and Heavy Engineering Eduard Saul and his party here today. During the meeting, Li said he would be pleased to receive Rudolf Rohlicek, vice-premier of the government of the Czechoslovak Socialist Republic, who will visit China next month. He believed that his coming visit will help promote the relations between the two countries. China hopes to conduct various kinds of cooperation with Czechoslovakia, he said.

Saul told Li that he had visited the second power plant in Zhentou, Shanxi Province, which was built with the help of Czechoslovak technicians, and he hoped it would serve as a symbol of friendship between the two countries. He also stressed that Czechoslovakia is interested in cooperation with China in the metallurgy, vehicle manufacturing, power and chemical industries.

It is learnt that not long ago China ordered two 500,000-kw power-generating sets from Czechoslovakia. Li was assisted at the meeting by Qian Zhengying, minister of water resources and electric power.

WU XUEQIAN RECEIVES EAST GERMAN TV CREW

OW281028 Beijing XINHUA in English 1009 GMT 28 Aug 86

[Text] Beijing, August 28 (XINHUA) -- State Councillor and Foreign Minister Wu Xueqian met a television team from the German Democratic Republic here today. The three-member team, which arrived here August 19, will spend one month in Beijing, Shanghai and Guangzhou shooting a documentary on China's historic achievements and economic, political and social developments as well as cooperation between China and the GDR.

LI XIANNIAN SENDS MESSAGE TO CAMEROON PRESIDENT

OW281431 Beijing Domestic Service in Mandarin 2130 GMT 26 Aug 86

[Text] According to a XINHUA report, President Li Xiannian sent a cable to Cameroonian President Paul Biya on 26 August to convey his deep sympathy and regards to the Cameroonian Government and people and the family members of those who died from the toxic gases released by Lake Nios. Lake Nios in northwestern Cameroon began to release lethal gasses including hydrogen sulfide on 21 August, causing distressful casualties. According to official statistics, more than 2,000 people have already died. The Cameroonian Government is now taking all kinds of measures to combat the natural disaster.

PRC RED CROSS DONATES $10,000 TO CAMEROON

OW282043 Beijing XINHUA in English 1535 GMT 28 Aug 86

[Text] Beijing August 28 (XINHUA) -- China's Red Cross Society has decided to donate 10,000 U.S. dollars to the Red Cross Society of Cameroon in the wake of the toxic gas cloud from the Nios volcanic lake in northwest Cameroon that has claimed more than 2,000 lives.

CHEN MUHUA MEETS GUINEAN AGRICULTURAL DELEGATION

OW281303 Beijing XINHUA in English 1158 GMT 28 Aug 86

[Text] Beijing, August 28 (XINHUA) -- Chinese State Councillor Chen Muhua met with a Guinean Government agricultural delegation led by Minister of the Domain of Rural Development Alhousseny Fofana here this afternoon.

The delegation has come to visit China as guests of the Ministry of Agriculture, Animal Husbandry and Fisheries. It is here to acquaint itself with China's rural economic reform and peasants' experience in the use of small-size farm machinery as well as fruit preservation and processing.

The Guinean visitors will leave here for the Democratic People's Republic of Korea tomorrow.

NPC DELEGATION LEAVES FOR URUGUAY, PANAMA, CUBA

OW271918 Beijing XINHUA in English 1454 GMT 27 Aug 86

[Text] Beijing, August 27 (XINHUA) -- A delegation of China's National People's Congress (NPC) left here today for a goodwill visit to Uruguay, Panama and Cuba.

The delegation is led by Zeng Tao, member of the NPC Standing Committee and vice-chairman of the NPC Foreign Affairs Committee. It includes Doje Cedain, member of the NPC Standing committee and vice-chairman of the NPC Education, Science, culture and Public Health Committee, and Song Chengzhi, member of the NPC Standing Committee and of the NPC Law Committee.

MEXICAN MINISTER RECEIVES PRC WOMEN'S GROUP

OW280600 Beijing XINHUA in English 0554 GMT 28 Aug 86

[Text] Mexico City, August 27 (XINHUA) -- The experiences of Chinese women are very valuable for Mexican women, Mexican Internal Affairs Minister Manuel Bartlett Diaz said last night while receiving a visiting Chinese women delegation.

Manuel Bartlett told the visiting delegation of the Chinese National Federation of Women headed by Yu Shuqing, member of the Permanent Committee and Secretariat of the federation, that the women organizations of Mexico and China are both products of their revolution.

He said relations between Mexico and China have been strengthened in the past few years because of the efforts of the government of President Miguel de la Madrid.

He praised the current economic reforms in China and said Mexico is closely following developments in China.

Hilda Anderson, coordinator of the Commission of Mexican Women, and other Mexican women leaders were present at the meeting.

NUCLEAR ADMINISTRATION EXPLAINS SAFETY MEASURES

HK270758 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1222 GMT 26 Aug 86

[Text] To conduct the probability and safety assessment (PSA) on a nuclear power plant is an important means of analysing the plant's shortcomings and improving its safety. China has organized more than 30 scientific and technological personnel to conduct a PSA analysis on Guangdong's Daya Bay Nuclear Power Plant. A final report on the assessment will be prepared by 1988.

This afternoon, the delegation from the Hong Kong Group which advocates a "Scientific Understanding of Building the Daya Bay Nuclear Power Plant" visited China's authoritative organ for supervising and examining nuclear safety, in Beijing -- the State Nuclear Safety Administration. The delegation received a warm welcome from executive deputy Director Shi Guangchang, other officials and experts.

Shi Guangchang introduced the delegation to the administration's roles of supervising and formulating nuclear safety regulations. He also answered questions raised by the delegation on the safety assessment of Daya Bay Nuclear Power Plant.

When asked by a delegation member about foreign countries' assessment reports on Daya Bay Nuclear Power Plant, Shi Guangchang said: The PSA analysis is highly valued internationally. China's plan to conduct a PSA analysis on the Daya Bay Nuclear Power Plant has received support from the International Atomic Energy Agency.

Shi Guangchang pointed out: The final report prepared by the State Nuclear Safety Administration is made a China's territory and in accordance with China's regulations on nuclear safety. It is also made in connection with international standards and practices. It is therefore the most authoritative one. Any report made by other countries does not constitute a legal document. Though China's experts may assess and give reference to the report, they have no legal effects.

It was introduced that the assessment will be carried out in three stages. At the first stage, China selects a nuclear power plant in a foreign country for assessment, which is almost completed. At the second stage, China will conduct assessment on part of the Daya Bay Nuclear Power Plant. At the third stage, it will conduct an overall assessment on the nuclear power plant and prepare the final report.

When asked by some delegation members about unsafe factors caused by Daya Bay Nuclear Power Plant's purchase of equipment from two countries, the administration's chief engineer Lin Chengge replied: No matter how many countries the equipment is purchased from, the State Nuclear Safety Administration only supervises and examines the work according to the regulations concerned, and there should not be any problem in this respect. In a certain sense, many operating nuclear power plants in the world do not get their equipment from only one source. Any nuclear equipment can be used so long as it is advanced and conforms to the safety regulations.

The experts also explained some issues concerning China's four nuclear safety regulations on selection building site design, operation and quality control. They also presented delegation members with copies of the four regulations.

NUCLEAR POWER TRAINING CENTER TO BEGIN

HK280613 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1223 GMT 26 Aug 86

[Text] Beijing, 26 Aug (ZHONGGUO XINWEN SHE) -- Professor Wang Dazhong, director of the Nuclear Energy Technological Research Institute of Qinghua University, said today that Qinghua University would set up a mock nuclear power plant training center to strengthen supervision over nuclear power plants and to increase the skill of operators for normal operations or for handling a crisis.

Wang Dazhong revealed the plan when he was meeting in Beijing with members of a group from Hong Kong which advocated a "scientific attitude toward the building of the Daya Bay Nuclear Power Plant."

Wang Dazhong added: "The State Nuclear Safety Administration has bought from the United States a full-size, three-circuit pressurized water simulator based on a U.S.-designed nuclear power plant. It is expected that the work of assembling parts will be completed by October. After the completion of the work, the research institute will train supervisors and operators for China's nuclear power plants, including the Daya Bay power plant, and assist the State Nuclear Safety Administration in checking on these work personnel.

The Nuclear Energy Technological Research Institute of Qinghua University was established in 1960. At present, there are three experimental reactors there. The institute has trained a great number of nuclear engineering and technological personnel. There are now more than 60 senior nuclear energy experts working at the institute. Every year there are 100 candidates for masters degrees and doctorates studying there.

Wang Dazhong said: The institute is engaged in the study of the safety technology for reactors and the evaluation of probability risks for nuclear power stations. The institute also takes on some research projects in nuclear safety assigned by the State Nuclear Safety Administration. It has made some progress in the study of technology for the disposal of nuclear waste.

Some 11 members of the group from Hong Kong, who are now in Beijing, visited the Nuclear Energy Research Institute of Qinghua University which is located 40 km away from the northwestern suburbs of Beijing. They inspected facilities for nuclear scientific research such as experimental reactors, which have been in safe operation for 20 years, China's first two-phase experimental platform, and so on. Experts at the research institute answered in detail questions raised by their guests with which Hong Kong compatriots are concerned, including questions on radiation, safety, and more.

HANGZHOU RADIO EDITOR COMMENTS ON TAIWAN SPY CASE

OW290535 Hangzhou Zhejiang Provincial Service in Mandarin 0900 GMT 23 Aug 86

[Station "Editor's Note"]

[Text] China's Socialist modernization is under way in a complicated international environment. The cracking of the case of Zhu Junyi, a spy of Taiwan's Kuomintang, has once again proved this point. Therefore, while we are in an excellent situation in which our four modernizations are steadily making great headway, we must never relax our revolutionary vigilance.

We must clearly distinguish between our own compatriots and people from outside to guard against giving enemy agents an opening and make our own contributions to safeguarding socialist modernization and protecting national security.

PLA MEETING ON REGULARIZATION OF ARMY SCHOOL

SK290918 Harbin HEILONGJIANG RIBAO in Chinese 13 Aug 86 p 1

[Text] The first all-army meeting to exchange experiences in the regularization of military schools held by the organs of the PLA general departments opened in a certain aviation academy in Harbin this afternoon.

Han Huaizhi, deputy chief of the staff of the PLA General Staff Department, attended the opening ceremony and gave a speech. On behalf of Yang Dezhi, chief of staff of the PLA General Staff Department, he extended regards to all delegates to the meeting, thanked the Heilongjiang party committee, the provincial government, the Harbin City party committee, and the city government for their support to the meeting, and gave directives on how to make the meeting successful. Also attending the opening ceremony were Li Yongtai, deputy commander of the Air Force of the Military Commission, and Sun Jinghua [1327 2529 5478], deputy commander of the Shenyang Air Force [shen yang kong jun 3088 7122 4500 6511].

Sun Weiben, Hou Jie, Zhou Wenhua, Shao Zhao, and He Daoquan, as well as the party, government, and army leaders of the province and Harbin City also attended the meeting to extend congratulations.

Attending the meeting were leaders of the training departments of the all-army military schools, responsible comrades of the general offices of various schools'; coordination centers, comrades of the PLA General Departments, various arms and services, and the competent departments of various schools under the Commission of Science, Technology, and Industry for National Defense, as well as leaders of the specialized schools of the armedpolice force, totaling some 140 people.

At the meeting, 17 advanced units, including a certain aviation academy in Harbin, will introduce their experiences.

CHINA DAILY ON LESSONS OF CULTURAL REVOLUTION

HK290111 Beijing CHINA DAILY in English 29 Aug 86 p 4

["Opinion" column: "'Cultural Revolution' Has Lessons for All"]

[Text] The nightmarish "cultural revolution" (1966-76) wrought great havoc and poisoned people's minds. Two decades have passed since it began and the nation has repaired much of the physical damage done. China is now on the right track and is steadily picking itself up.

It is necessary now to take stock of the experience of the "cultural revolution" to "learn some lessons from it and realize how it could have happened," as party general secretary Hu Yaobang puts it.

An article published in the monthly magazine READING, by Wang Yiming, a post-graduate student in Xiamen university, discusses lessons learned from the "cultural revolution." Excerpts follow:

Right after the downfall of the Gang of Four in 1976, we set about criticizing and assessing the "Cultural Revolution" in various ways and from different angles. The criticism helped to right a lot of wrongs and shifted the party's emphasis from class struggle to economic construction. But the criticism was not thorough enough because the "cultural revolution" was too recent, and we had not freed ourselves entirely from the fetters of "leftist" mentality.

In recent years, however, with the criticism going deeper, people have begun to put the "cultural revolution" into the context of the overall development of Chinese history and Chinese society. The emphasis, therefore, has shifted to the study of traditional Chinese ideas, culture and national psychology. This naturally has led to the study of clashes between the Chinese and Western cultures and the adjustment of traditional culture to modern civilization.

The study is conducive to understanding both the remote and immediate causes of the "cultural revolution." It will help us to see the actual conditions in which we are trying to bring about the four modernizations and, therefore, can help us to work out correct policies and strategies.

This is the essence of the current discussion of the relationship [illegible]hinese and Western cultures in the country.

A moot point in the discussion is: How to sweep away the feudalistic elements of traditional culture.

The May 4 Movement of 1919 greatly shocked feudalism but did not uproot it. In the following decades feudalism was largely ignored and it found its expression in the "cultural revolution" under new circumstances.

We hope that a probing and systematic study of Chinese feudalism will be conducted to understand its influence on Mao Zedong's thought in his later years and its relationship to ultra-leftist mentality. How did it influence the culture-psychology framework of the Chinese nation, and how did this culture-psychology framework enable the "cultural revolution" to run wild so extensively and intensively? These are also major subjects of the study. Apart from that, we should get to know how feudalism was used by the Gang of Four to sow ignorance, conjure modern superstition and wreak havoc.

This is a study not only of the causes of the "cultural revolution" but also involves questions about the current reform and realization of the four modernizations.

"Leftist Mentality"

General Secretary Hu Yaobang once said that every one of us is more or less influenced by the "leftist" mentality. His remarks are worth thinking about. Many talk about how they were persecuted during the "cultural revolution" but few seriously consider what moral and political responsibilities we should share.

The great upheaval had been brewing for quite some time. Many of our cadres, intellectuals and common people either remained indifferent to the rampant spread "leftist" ideology preceding the "cultural revolution," fanned the "leftist" fever, or were themselves activists in the "cultural revolution." At least, we kept silent for a long time.

The "cultural revolution," like other historical events, was not the brainchild of just a few people. Our sharing the historical responsibility in no way excuses the Gang of Four of their crimes. Instead, we commit ourselves to the obligation of preventing such a tragedy from happening again.

Apart from fine traditions, our nation also has deep-seated weaknesses. But the victory of the Chinese revolution overshadowed the hold China. As a result, with unbelievable naivete and forbearance, we embarked on the "anti-rightists campaign" and the "Great Leap Forward." The ultraleftist eventually developed into the "cultural revolution."

The tragedy cost the nation dearly but it will have all been in vain if we fail to sweep away the feudalistic influence that still resides in our minds.

Looking back, Ba Jin, the revered writer who was brutally persecuted during the "cultural revolution," often feels guilt for his own effeteness in those years. But many of us do not have the courage to face our weaknesses head on. Young people in West Germany in the 1960s once asked their parents: "What were you doing during the Nazi years?" We, who experienced the "cultural revolution," may as well ask ourselves: "What were we doing then?"

Some people repeatedly advocate tolerance towards the "cultural revolution," comparing the party to a mother who has wronged her children. This is sheer irrespinsibility towards history. People with such an attitude misunderstand the great havoc and its profound causes, seeing them merely as accidental events attributable to only a few persons. On the basis of this understanding, they, on behalf of those who suffered in those years, magnanimously announce their tolerance. A national disaster is thus changed into a matter of personal resentment and personal forgiveness. This attitude is more dangerous than useless.

Since the Party Central Committee has acknowledged the party's errors in the "cultural revolution" and analyzed the causes objectively, we should follow up the analysis and fight against the remaining "leftist" mentality and feudal ideas residing in the party, society and in our own minds. Only in this way can we compensate for historical setbacks with historical progress.

LIAOWANG ON REGULARIZATION OF PARTY SCHOOL

HK270804 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 33, 18 Aug 86 pp 10, 11

[Article by He Wenyun: "The Central Party School Today"]

[Excerpts] A commencement ceremony of the Central Party School was held on 16 July 1986 at which Secretary Wang Zhaoguo of the CPC Central Committee Secretariat delivered a speech on behalf of the CPC Secretariat. [paragraph continues]

He praised the Central Party School for its new contributions to the building of the party cadres contingent since it made its education regular.

Making Education Regular

In May 1983, the CPC Central Committee made a decision on making Central Party School education regular, requiring the Central Party School to change from taking short-term cadre training in the main into regular cadre training. That was a historical change in the Central Party School work.

Presided over by its principal Wang Zhen, assistant principals Jiang Nanxiang and Chen Weiren, the Central Party School has continued to make progress in the course of reform with its regular education, summing up experiences and making improvement in practice. The chief characteristics are:

-- Different sources of students. Cadres were simply transferred to the Central Party School for study in the past. Now, the method of organizational recommendation, unified entrance examination and enrolling the very best is adopted. Generally, the students have a higher educational background and are between the ages of 30 and 35. The Central Committee requires that cadres taking up chief responsibility at provincial and prefectural levels undergo training at the Central Party School during the Seventh 5-year Plan.

-- Different contents for study. The curricula fall into three categories: Marxism-Leninism and party principles and policies, professional knowledge, and knowledge in modern science and culture. More than 40 courses are provided for the students, some as compulsory courses, others as elective, as well as lectures. This is a breakthrough from the old framework that only philosophy, political economy, scientific socialism, party building, and party doctrine were studied at the party school over the years.

-- Regular systems of examination, testing, and academic record have been set up. Examination is required for all compulsory courses, and testing for elective courses. Postgraduates (working for a master or doctorate degree) should undergo oral defense of their treatises according to the stipulations of the National Academic Degrees Committee. The academic record of the party school is the comprehensive expression of the student's Marxist theoretical level, culture, professional knowledge, training in party spirit, and ability in organizational work.

-- Regarding the educatonal system, a combination of long- and short-term courses is adopted, 2- or 3-year courses as well as 1-year or 6-month courses are provided. In this way, the urgent needs in the building of leading bodies as well as the long-term construction of the cadres contingent are both taken into consideration. Besides, regular education is also carried out in the training classes for leading cadres on the job on a rotary basis, and the requirments are somewhat different from the training classes during the period bringing order out of chaos. All this has demonstrated that the understanding of regular education at the Central Party School is undergoing a continuous deepening process.

Bringing Up Qualified People for Reform

Today, the Central Party School is also run with its door open, and has changed the self-closure state in the past in order to bring up qualified people who have both ability and political integrity and will lead reform and push ahead modernization. [paragraph continues]

The school requires the students to take the study of building socialism with Chinese characteristics as the key, analyze the new things and experiences, continuously emerging in the realities of life and reform, and explore solutions to those new problems. They should at the same time study the experiences and lessons of other socialist countries, and attach attention to influential ideas and doctrines of different schools and genres in the West, absorbing valuable data and information from these while tempering and improving their own ability in analysis and criticism. In short, regarding Western culture, it should neither be totally and uncritically accepted nor totally rejected.

With the implementation of the opening-up policy in China and the ever-expanding foreign relations in recent years, the Central Party School has also increased its foreign ties. Statistics show that in 1985 alone, 44 delegations (or teams) from 15 countries such as Yugoslavia, Korea, the GDR, Hungary, the FRG, the United States, Japan, and Somalia visited the Central Party School. At the same time, the Central Party School has, on many occasions, sent delegations abroad in order to broaden the members' vision, to carry out academic exchanges, to promote friendship, and to bring up cadres. [passage omitted]

Unusual Historical Contributions

The Central Party School, situated north of the Summer Palace in Beijing, is the top institute under the direct leadership of the Central Committee for bringing up senior and intermediate leading cadres of the party as well as cadres of Marxist theoretical work. It now has more than 1,700 students and more than 500 teachers and scientific research workers, of which 23 are professors and 202 are assistant professors. There are 22 faculties and a research institute, and its library has a collection of more than a million books. [passage omitted]

Whether in the past or at present, the Central Party School has made great contributions to bringing up and educating leading cadres at senior and intermediate levels as well as upgrading the theoretical level of cadres throughout the party. Today, with firm steps, it is advancing on the road to regular education.

DENG LIQUN ON EDUCATING 'USEFUL PEOPLE'

OW290221 Beijing XINHUA Domestic Service in Chinese 1323 GMT 25 Aug 86

[By reporter Zhao Wei]

[Text] Beijing, 25 Aug (XINHUA) -- Addressing representatives attending a national forum on higher education in Zhongnanhai this afternoon, Deng Liqun, member of Secretariat of the CPC Central Committee, said that teaching and educating students to be useful people has become a trend, and teachers have gradually become the main force in ideological and political education in schools.

During the meeting, the teachers and presidents of some schools of higher education from 20 provinces, municipalities, and autonomous regions; and leading members of schools and educational trade unions of some localities exchanged their experiences in teaching as well as in educating students to be useful people. Many of the attendees, who are first-line teachers, have come to understand the importance of teaching students as well as educating them to be useful people. Deng Liqun praised these representatives of model teachers for having set a moral example as well as for their outstanding services as teachers.

He pointed out that most Chinese intellectuals were for years after 1957 regarded as bourgeoisie. Even though they wanted to educate students to become useful people, they were not able to do so. During that period, teaching and educating students to be useful people were disconnected. After the 3rd Plenary Session of the 11th Central Committee, order was restored, and the party Central Committee stated explicitly that intellectuals are part of the working class, thus fundamentally changing the teacher's status. He said that because a great number of teachers who have achieved outstanding successes in teaching and educating students to become useful people has come to the fore in colleges and secondary and primary schools, we are confident that we will achieve even greater successes. He stressed that because of the needs of the state, the people, and the times, the vast numbers of teachers must accept the responsibility to teach and educate students to be useful people needed in the nation's socialist modernization. This is a noble mission that must be accomplished by teahers who are dedicated and who have a sense of responsibility of this age, he said.

Deng Liqun urged educational trade unions at all levels to pay attention to the teachers' well-being.

Teng Teng, deputy head of the Propaganda Department of the CPC Central Committee, also attended the forum. He said that teaching and educating students to be useful people is a general requirement set for teachers, and this requirement should be treated as an important policy guiding educational reform.

Leading members of the State Education Commission and the National Federation of Trade Unions of Educational Workers also attended today's forum.

The forum, which opened on 22 August, is being sponsored by the State Education Commission.

COMPANY DELEGATES POWER TO AFFILIATES

HK271150 Beijing RENMIN RIBAO in Chinese 23 Aug 86 p 1

[Report: "Sugar, Tobacco, and Wine Company of Xiaguan District in Nanjing City Persists in Delegating Power to Lower Levels"]

[Excerpts] According to NANJING RIBAO of 17 August, in dealing with mistakes committed by its affiliates in the course of reform, the sugar, tobacco, and wine company of Xiaguan District in Nanjing City persisted in looking into the rights and wrongs of a case. It did not make unwarranted charges and let things drift, but adroitly guided action according to circumstances and enthusiastically created buoyant atmosphere for reformers in an effort to carry out reform in its affiliates.

In November 1984, the company introduced the system of economic responsibilitgy in 51 shops affiliated to it with the delegation of personnel, finance, and management power to them. After these shops were given power in management, some purchasing agents, however, blindly stocked up large quantities of slow-selling goods because they could profit in "commission." Consequently, the shops kept a large stock of unsalable goods. Some small shops were taken in because of their incompetent management. Some shops lopsidedly sought economic results at the expense of social benefit and the interests of consumers. Facing these problems, some leaders of the company held that the appearance of the phenomenon was due to the delegation of too much power to lower levels in a hurry and that the power had to be taken back. [paragraph continues]

The other maintained that since decision-making powers had been delegated to lower levels, the company should not take care of them any longer so as to avoid any misunderstanding that the company would act as "mother-in-law" again. After achieving unity in thinking, leaders of the company came to realize: The power delegated to lower levels should not be taken back. The company must be realistic to help its affiliated shops solve problems and make concrete analysis of concrete problems. In this way, leaders of the company were dispatched to some shops to help them correct mistakes committed in the execution of reform.

RENMIN RIBAO URGES LOWER LEVELS RETAIN POWER

HK271206 Beijing RENMIN RIBAO in Chinese 23 Aug 86 p 1

[Commentator's article: "Power Delegated to Lower Levels Should Not Be Taken Back"]

[Text] "Invigorating enterprises is the key to restructuring the national economy." This is stated in the decision on economic structure reform adopted at the 3d Plenary Session of the 12th CPC Central Committee. In order to invigorate enterprises, in the past 2 years many local authorities delegated power to lower levels. As a result, disadvantages of the over-centralized economic structure were somewhat overcome and many enterprises had the power to adopt their forms of operation, plan their production and marketing, employ their own personnel, decide on wages and rewards, and set the prices of their products. With a certain power in hand, enterprises are full of vitality. However, this year quite a few local authorities have taken back the power delegated to lower levels. Some enterprises thus shouted: "The monkey king is kept under control again by the incantation of the golden hoop and things are getting harder for us."

Why should the power delegated to lower levels be taken back? This is only because some problems cropped up after power was delegated to lower levels. Today this paper reported what happened after the sugar, tobacco, and wine company of Xiaguan District in Nanjing City delegated power to its affiliates. We think this news report will enlighten us a little on the question. In 1984, the company introduced the system of economic responsibility in 51 shops under it with the delegation of personnel, finance, and management power to them. After the decision-making powers were delegated to the shops, some problems appeared. Some purchasing agents, for example, blindly stocked with goods only because they could profit in commission; the result was that some shops kept a large number of unsalable goods. In addition, some salesclerks even said: If we want to make a "fortune," we should "extort" from customers. Such problems may all be regarded as an excuse to take back the power delegated to them. Some leaders of the company pointed out that the appearance of these problems was only because too much power was hurriedly delegated to the shops affiliated to the company; it was therefore necessary to take back the power. The other said that since the power had been delegated to them, the company should not take care of them any longer. Of course, neither are right. After achieving unity in thinking among themselves, leaders of the company came to the conclusion that the power delegated to the company's affiliates should not be taken back. If there are problems, efforts must be made to solve them. In any case, reform must be carried on.

Power delegated to lower levels should not be taken back. This is a correct decision. If we regard the delegation of power to lower levels at that time as a bold step forward in reform, we must say we are making a step further in reform when we help the grass-roots units solve problems that appeared after the delegation of power to them and we do not take back the power. [paragraph continues]

The appearance of some problems in the execution of reform is unavoidable. Of course, this has something to do with the delegation of power to lower levels, but we should not attribute all the problems to the delegation of power to lower levels. In a certain sense, delegating power to lower levels and taking it back reflect the contradictions between the new and old structure in the course of their replacement. It is not difficult for us to pursue the old structure again because the whole country is familiar with it, as if we drive a light carriage on a familiar road. Meanwhile, taking back the power delegated to lower levels is like turning back; it is very easy to do so. However, the key to rejuvenate China lies in reform and the effort to continuously increase the factors of the new structure in the operation of our national economy. To achieve it, we must persist in reform, continue to delegate decision-making powers to lower levels, and instill more vitality into enterprises.

Referring to changes taken place after the delegation of decision-making power to lower levels in Tianjin's new harbor during his recent inspection visit to Tianjin, Comrade Deng Xiaoping pointed out: "People are the same, and the place is the same. Efficiency has been raised when reform is carried out. This is simply because you have been given power. The power of man is most important. When you have power and money, the situation will be greatly changed." This statement by Comrade Deng Xiaoping has once again stressed the significance of delegating decision-making powers to lower levels. It gives us much food for thought.

PAPER ON CAPITALIST, SOCIALIST UNEMPLOYMENT

HK281555 Beijing GONGREN RIBAO in Chinese 18 Aug 86 p 4

[Article by Liu Shugui: "Is Unemployment a Social Phenomenon Peculiar to the Capitalist System?"]

[Text] People have for quite some time held that unemployment is a social phenomenon peculiar to the capitalist system, while workers being free from unemployment and enterprises from bankruptcy has been regarded as the great superiority of socialism. As I see it, it is necessary to re-evaluate the above ideas.

There is no doubt that unemployment is a social phenomenon existing under the capitalist system and an lifetime partner of the capitalist mode of production. This is because the sole purpose of production carried out by the capitalists is to grab the maximum surplus value. In order to beat his competitors, a capitalist must constantly improve the technological and equipment level of his enterprises. Moreover, the more advanced the machines and equipment adopted, the fewer hired laborers will be needed. Free competition continuously tosses the presonnel of bankrupt enterprises into the ranks of the jobless. Hence, there are large contingents of jobless in society under capitalism. On the one hand, the capitalist system creates unemployment and on the other, the capitalists use large numbers of jobless as a means to bring pressure to bear on, and to intensify exploitation of on-the-job workers. Therefore, unemployment is an inevitable outcome of the capitalist system and also a condition for the existence of the capitalist mode of production. It is impossible to eliminate unemployment under the capitalist system.

However, on no account must we conclude from this that unemployment is a social phenomenon peculiar to the society under capitalism and there can be no unemployment in a socialist society, because the causes for this social phenomenon of unemployment are many-faceted and the capitalist mode of production is just one of them. [paragraph continues]

Under the socialist system, some causes for employment have been eliminated and some will continue to exist for a relatively long period. Therefore, the emergence of unemployment in a socialist society is not unimaginable. The reasons are as follows:

First, to carry out economic activities, no matter under which social system, laborers must be combined with the means of labor and an appropriate and harmonious proportional relationship in this regard must be maintained. If population growth outstrips the growth of the means of labor, some laborers will inevitably be "left unused" -- they can hardly find jobs. This is an economic law workable under any mode of production. In other words, this law also works in a society under socialism. China has a profound lesson in this regard. According to the statistics of departments concerned, an additional worker employed in China's industrial departments needs an increased investment of about 10,000 yuan in fixed assets. For a very long time since the founding of the PRC, we have one-sidedly held that "having more people" is an exceptionally good thing and so long as there are people, all miracles on earth can be created. Consequently, our population has blindly expanded and material shortages have been quite serious. In the 1970's, large numbers of laborers found it difficult to find a job. The facts have proven that under socialism, if the proportional relationship between the production of mankind itself and that of materials is not properly handled, unemployment is bound to emerge.

Second, to vigorously develop the socialist commodity economy, it is necessary to smash the egalitarian system under which everybody eats "from the same big pot" and to energetically promote competition. Only in this way can enterprises have pressure from outside and a dynamic force inside, constantly improve their technology, strengthen their management, raise their efficiency, and reduce their costs, thus giving a push to the entire society's economic development.

Inevitably, some enterprises will be victorious and some will be defeated in competition. Enterprises with backward technology, confused management, and interior product quality with suffer serious losses and fail to make a showing after being consolidated are bound to go bankrupt and to be out of business. This will certainly be cause some unemployment.

Third, although socialism has thoroughly negated the system of exploitation, labor remains a means for people to make a living; the ideas of various exploiting classes still have an influence on people; and some laborers still posses the mentality of loving ease and hating work. Therefore, it is necessary to apply various sanctions against the lazybones and loafers who refuse to amend their ways despite repeated admonition, including firing them.

Fourth, we must also notice that the development of new technology will inevitably cause a tremendous change in society's industrial patterns. Some traditional industries will give way to new rising ones. Some laborers handicapped by the knowledge they posses will find it very difficult to adapt themselves to this change. This also will evitably lead to the emergence of structural unemployment.

Therefore, we can hardly say that unemployment is a social phenomenon peculiar to the capitalist sytem. We should admit that the possiblity and objectives of unemployment exist under socialism and more importantly, fully understand the causes for unemployment under the two different social systems. Under capitalism unemployment is mainly caused by the system of exploitation and it serves the system, and its existence and development causes the intensification of exploitation by capitalists of workers. [paragraph continues]

In a socialist society the existence of unemployment on no account reflects such a relationship. A little reasonable unemployment is an effective mechanism for spurring the enterprises on to raise their economic results and cut their costs and encourages staff members and workers to improve the quality and efficiency of their work. It will result in social progress and improved living standards for the people.

On this issue, we must neither follow the beaten track of low wages and high employment in which the state monopolizes everything nor artificially create unemployment. We should lead people in correctly understanding that the phenomenon of unemployment is an objective reality and willingly, enthusiastically, and appropriately handle the problem of unemployment. Meanwhile, the state will create employment opportunities as far as possible through various ways and means so that laborers can fully exploit their abilties. This is precisely our correct principle.

CONCERN BUILDS OVER GROWING CAPITAL CONSTRUCTION

OW290327 Beijing XINHUA Domestic Service in Chinese 1108 GMT 25 Aug 86

[By reporter Ge Daxing]

[Text] Beijing, 25 Aug (XINHUA) -- The State Planning Commission today issued a circular calling on all localities and departments to conduct an overall examination of ongoing capital construction and innovation projects in order to exercise strict control over investment in fixed assets in accordance with the State Council's unified plan.

According to the state plan, our investment in capital construction and innovation projects this year should be smaller than the 1985 investment which was too big. However, State Statistical Bureau records show that China's capital construction investment in the first 7 months of this year amounted to some 42.3 billion yuan, up 7.3 percent from the corresponding period of last year; the investment in innovation projects in the first half of this year totalled some 15.2 billion yuan, up as much as 45 percent; and there are more than 100,000 capital construction and innovation projects, some of which were started this year. Of the projects under construction, the proportion of nonproductive projects and ordinary processing industry projects remains too high, and they have taken some financial and material resources which could be better used in key state construction projects for basic industries. Many fixed-asset projects under construction are not justified at the moment. Such a situation shows that the increasing trend for investment in fixed assets in China has not yet been brought under control, and the investment pattern has not yet been well-adjusted.

In view of the situation, the State Planning Commission emphasizes: It is necessary to supervise and inspect investment in fixed assets and implement a system of responsibility for administrative leaders in accordance with relevant regulations recently promulgated by the State Council. A top priority task is to seriously examine all projects under construction, resolutely stop or postpone some of them, and concentrate on the construction of key projects to ensure smooth economic structural reform and steady economic development.

An overall examination of the projects under construction is a very difficult task involving a wide range of factors.

The task is very pressing as the end of October is the deadline for its completion. The State Planning commission calls on all localities and departments to firmly strenghten their leadership and put principal leading comrades in charge of the task. Each locality should set up an office to examine the projects under construction and staff it with comrades from all departments concerned. During the examination, it is necessary to grasp typical cases, commend good deeds, criticize poor performances, and punish law and discipline violators. Leading cadres at all levels should personally take a hand in carefully directing the work in the area. The State Planning Commission also asks the media in all localities to create favorable public opinion for the task.

Currently, the State Council has instructed the State Planning Commission to set up an office in charge of examining all projects under construction in China. Work groups examining projects under construction, organized by the State Planning Commission, have successively begun to visit major localities, conduct on-the-spot investigations, and study how to solve specific problems.

ASSETS OF BANKRUPT ENTERPRISE TO BE AUCTIONED

HK290736 Hong Kong AFP in English 0719 GMT 29 Aug 86

[Text] Beijing, Aug 29 (AFP) -- The assets of the first Chinese enterprise to be declared bankrupt are to be auctioned to pay back creditors, the daily ECONOMIC REFERENCE NEWS reported Friday.

The failed company, in the northeastern city of Shenyang, was declared bankrupt August 3 after its deficit of 480,000 yuan (130,000 U.S. dollars) exceeded 80 percent of its assets.

ECONOMIC REFERENCE NEWS said the company owned a 777-square-meter (310-square-foot) lot, a 538-square-meter (215-square-foot) building and various equipment, material and products.

It did not say how many creditors would benefit from the sale.

News of the auction came two days after China's parliament, the National People's congress, made major changes to legislation governing bankruptcies.

The changes would allow only state-run enterprises to be declared bankrupt, and lower from 80 percent to an undisclosed level the proportion of debts to assets required before a company can be declared a failure.

The legislation is scheduled to be adopted by the current session of parliament.

The Shenyang company was declared bankrupt under special rules being tested in only four Chinese cities. Under the amended version of the law it would not have gone under, because it was collectively run by local authorities and work units.

Nearly 20 percent of Chinese enterprises run at a deficit, according to official statistics.

The Shenyang company employed 72 people, of which 29 have been unable to get new work. They received their first unemployment benefits last week.

CHEN MUHUA ON IMPROVING FINANCIAL SYSTEM

HK280616 Beijing RENMIN RIBAO in Chinese 24 Aug 86 p 1

[Report by Zhang Shuzeng: "Chen Muhua Answers Reporter's Questions on Quickening Reform of Financial System"]

[Text] At the meeting to commend the advanced collectives and model workers of the financial system in the whole country, Chen Muhua, state councillor and president of the People's Bank of China, introduced the four objectives of the reform of the financial system in the whole country: to establish a macroscopically controlled, powerful, flexible, mutilevel financial control and regulatory system; to establish a credit system focusing on bank credit, linking up various channels, patterns, and credit means, and accommodating capital; to establish a socialist financial system led by the central bank and focusing on the state banks and under which various financial institutions can coexist and cooperative with one another; and to establish a modernized management system for financial institutions.

Following the conclusion of the opening ceremony of the commendation meeting, this reporter obtained an interview with Comrade Chen Muhua on three issues: What is the general requirement of the four reform objectives? Why should the pace of the financial structural reform be quickened? What are the focal points of the work of financial reform in the next 2 years? She replied that "the general requirement of the four reform objectives is to proceed from structure and policy to make the financial system suit the development of the economic structural reform and socialist commodity economy and to make it properly controlled and regulated, flexible, effective, responsive, and sensitive, and to truly bring into play the role of the economic lever of finance." While talking about the reason for quickening the pace of the financial structural reform, Chen Muhua pointed out that "This is propelled by the deepening of the economic structural reform and the development of socialist commodity economy. Based on experiences and lessons at home and abroad, to develop socialist commodity economy, we know that there must be "two coordinations": First, the financial system must coordinate with the economic system: and second, the market in the means of production must coordinate with the capital market. In the past, the economic system in our country was distributional and money came second to materials. At present, materials have begun to come second to money. In other words, the economy in our country has gradually changed from the mode focusing on material management and indirect control. Finance is one of the most important and effective means to exercise indirect control. When the mandatory tasks in economic construction, the plans for material allocation, and the financial appropriations are reduced, if the capital market can not be promptly set up, the establishment of a lively capital market involves the issues of diversifying and turning into enterprises the financial institutions like banks, as well as the issue of intensifying the macro management of the central bank. Therefore, quickening the pace of the financial structural reform is inevitable."

At present, the four reforms of the financial system in the whole country are being tried in 12 cities like Guangzhou, Wuhan, Chongqing, Shengyang, and so on. The stress of the work of financial reform in the next 2 years is to cultivate a lively capital market for the formation of a flourishing market in the means of production. At present, our country has begun to set up capital markets, of which one is the loan market; another is the discount market for processing commercial credit bills; and another is the exchange market for issuing various short-term bonds.

RENMIN RIBAO ON ENDING UNHEALTHY TRADE TRENDS

HK160858 Beijing RENMIN RIBAO in Chinese 14 Aug 86 p 1

[Commentator's article: "Make Investigations To Overcome Difficulties -- Fifth Comment on Rectifying Unhealthy Trends of Trade"]

[Text] This paper has issued four commentator's articles on rectifying unhealthy trends in trades, and most comments are in the position of employees in various trades and say some words for them.

First, let us introduce you readers to a report carried by BEIJING RIBAO on 19 July entitled "Why Are There so Many Disputes in the Afternoon?" The report disclosed that in the "small commodity corner" of the Beijing Department Store, a saleswoman speaks at least 200 sentences, turns round at least 120 times, and bends over at least 140 times in 1 hour. As for how many meters she usually walks in an hour, it is hard to estimate. At lunch time, the saleswomen take turns having meals and have an hour to rest. However, with tired legs, they cannot find a place to rest. Therefore, some of them stroll around the streets to kill time; others sit for a while on chairs in the waiting rooms of a hospital or a bank branch; still others even buy a monthly bus ticket and have a snooze in a bus. In the afternoon, they are often tired, impatient, and impolite and are liable to have disputes with customers.

It is perhaps a special case that the saleswomen of the department store have no place to rest. But it also reminds us of a problem: In rectifying unhealthy trends in a trade, it is necessary to conduct thorough investigation, to know the real situation in all trades, to listen to the voices, and to resolve their problems and difficulties. All trades, including public security, commercial, railway, communications, postal and telecommunications, water and electrical supply, taxation, banks, industrial and commercial administration, goods supply, and tourism departments and units, have their own problems and difficulties. Comrades in these trades work day and night despite wind and rain. They have assumed great responsibility and made great contributions, and the party and people will never forget them. Finding faults in the course of rectifying unhealthy trends is for the health of our body. The problem of saleswomen of the department store having no place to rest was discovered when finding the reason they disputed with customers. Of course, having no place to rest at lunch time should not become the reason for their disputes with customers, but this indeed has something to do with the disputes. Here, two things merit our attention: 1. It is necessary to educate saleswomen not to vent their anger on customers. 2. Efforts should be made to resolve the difficulty of the saleswomen.

It often occurs that when one is angry, one must find a place to vent this anger. The anger may result from bonus, wage, housing, communications, canteen, and kindergarten. After making a comparison with their neighbors, some of our comrades may have some anger and would find a place to vent it.

This is not strange at all, as we are not living in a vacuum. Our system has many defects. In particular, the egalitarian practice of "eating out of the same big pot" has not yet been thoroughly eradicated, the principle of distribution according to one's work has not yet been thoroughly implemented. In addition, some leading cadres engage in serious bureaucratism and fail to pay much attention to ideological and political work. They fail to care for what should be cared for, and fail to do what should be done. This has also given an impetus to the unhealthy trends. Knowing the crux of the problem and suiting the remedy to the case will help rectify the unhealthy trends. If we only find faults of all trades, but fail to resolve the existing problems, or merely take reward and punishment methods, we may rectify the unhealthy trends temporarily, but cannot rectify them thoroughly.

The ongoing reform is an overall reform of our system. Finding faults and stopping up all loopholes are of course necessary to all trades. But, what is more important, is to bring into full play people's initiative and sense of responsibility, to reform unreasonable distribution and management system, to change the disjoining of responsibility, power, and interest, and to make sure that everyone performs his duty and brings his role into play. Rectifying unhealthy trends is for properly carrying out reforms, and it is also a process of conducting research and investigation. Whether finding faults or resolving difficulties, it is necessary to conduct research and investigation. Otherwise, it will be impossible to effectively rectify unhealthy trends.

RENMIN RIBAO ON TECHNOLOGY TRADE BARRIERS

HK280119 Beijing RENMIN RIBAO in Chinese 23 Aug 86 p 7

["Special Commentary" by Ye Bailin: "Technology Barriers -- a New Trend in Trade Protectionism" -- first paragraph published in boldface]

[Text] The old version of trade protectionism was mainly a matter of tariff barriers. In recent years the technology barrier has increasingly become the most thorny problem in international trade. This is a main method used in a new version of trade protectionism. Technology barriers are known under various names and are very complicated. They have produced very unfavorable effects on developing countries' foreign trade and seriously hurt their economic interests.

In international trade today, there exists two kinds of obstructions -- the tariff and the non-tariff barrier. Given many rounds of GATT talks, various countries' tariff levels have shown a decline. But the non-tariff barrier, especially the technology barrier as a part of it, has constituted the most thorny problem in international trade. The old version of trade protectionism was mainly a matter of introducing high tariffs and import quotas to restrict imports. But constantly changing, complicated and exacting technological standards, and various technological specifications are major methods used in the new version of trade protectionism.

Technology barriers in trade include various technological specifications and standards announced by central and local governments and by mass organs, the methods and processes used in checking whether these technological specifications and standards are met, packing and labeling requirements, the system of authentication, and so forth.

Technology barriers being flexible and changeable have made things difficult for foreign factories and businessmen. To protect the interests of their producers, some developed countries have often purposely raised the standards for import commodities to restrict imports. Britain, France and the Federal Republic of Germany signed an electronic component trade agreement providing that any standard document promulgated by any one of them should apply to the other two countries, with all other countries' products subject to strict inspection. This agreement for a time made difficult the transportation of U.S. electronic components to Europe.

Technology barriers often go in the garb of legitimacy. At present, to protect consumers' interests and the ecological environment, many countries have announced increasingly exacting safety, sanitation and environmental protection standards and technology specifications. For example, some developed countries have promulgated the "Foodstuffs, Medicine, and Cosmetics Control Law," "Milk Import Law," "Vegetable and Fruit Imports Inspection Law," "Law Restricting Products with Poisonous Substances," "Inflammable Fabrics Law," "Consumer Goods Safety Law," "Noise Level Restriction Law," and so forth. Standards for imported commodities and methods of inspection are strictly specified. Where there is an economic slump, or where imported commodities hurt the interests of the producers of a given country, import restrictions are imposed on the grounds of safety and sanitation standards being incompatible with requirements.

Technology barriers come under various names. The degree of protection is difficult to judge. Especially when it comes to the export of commodities to the United States, the Federal Republic of Germany, Japan and other countries, the various technological specifications are very complicated. In these countries, not only the central governments but also local governments or mass organs also promulgate many technological specifications. According to statistics in the early 1970's, technology barriers in international trade accounted for about 10 to 30 percent of non-tariff barriers. With the rise in the consumption level of various countries and the development of highly sensitive monitoring technologies, this ratio has risen sharply.

Technology barriers have produced an extremely unfavorable effect on developing countries' foreign trade. Many developing countries suffer from lack of actual information about foreign technological standards, combined with the limitations of their technological level, and the lack of strict quality control. Developed countries have imposed on the former's commodities exacting and even impossible technological specifications and complicated inspection procedures. At the end of 1983, the United States imposed more than 100 extra demands on textiles from developing countries and regions, subjecting the textile exports of these countries and regions to the United States to great restrictions. According to statistics, the cases of developing countries suffering deeply from the restrictions of technology barriers in international trade are 3.5 times those of developed countries. Such phenomena involving developing countries' export commodities as demanding compensation, knocking down prices, refusing to accept delivered goods, and so forth, are frequent, seriously affecting the economic interests of developing countries.

The "Agreement on Technology Barriers in Trade" drawn up by GATT aims at eliminating and at least reducing technology barriers in international trade and removing technological obstacles to the liberalization of trade. This agreement has played a positive role in preventing developed countries from using differences in standards and in the system of authentication as means of trade protectionism and in stimulating the development of international standardization. But it has not served to further solve the problem of how to help developing countries overcome technology barriers in exporting commodities to developed countries.

It is unrealistic for developing countries to pin their hopes for a substantial increase in exports to developed countries on the latter's relaxation of technological demands about imported commodities. Such hopes should be based on the development of a given country's science and technology and an improvement in product quality and, at the same time, the strengthening of unity in a persistent struggle to remove technology barriers in trade.

RENMIN RIBAO COMMENTATOR ON DOCUMENT REFORM

HK251118 Beijing RENMIN RIBAO in Chinese 21 Aug 86 p 1

[Commentator's article: "This Rule Is Fine"]

[Text] No document over 1,000 characters long will be issued, no document filled with empty and sterotyped sentence patterns will be issued, and no document that simply copies documents or conveys the ideas of others will be issued. This is a rule made by the Jinzhou City CPC Committee demanding writing of "short, but good documents."

This rule is fine. Misuse of documents has already aroused numerous complaints. Some of our organs have actually become factories specialized in producing documents -- they just pour out all kinds of tediously long bulletins, newsletters, digests, collections of documents, letters requesting instructions, reports, circulars, and notices. Documents are sent to every desk, then, thrown into wastepaper baskets, and finally packed in gunnysacks, loaded on trucks, and sent to paper mills. Indiscriminately distributed documents are not only useless but harmful -- much paper and printing ink have been wasted, many stamps and parcels have been wasted, and the time of many people has been wasted!

Lenin bitterly hated the bureaucratic practice of indiscriminately distributing documents. He said: "The evil bureaucracy lands us in a situation in which documents are indiscriminately distributed, laws and regulations become ineffective, and directives are arbitrarily issued. Meanwhile, lively work is submerged in piles of documents." He pointed out: "We must turn our directives (good or bad directives alike) from dirty wastepaper into lively practice -- this is the very crux of the problem." Studying these teachings of Lenin again and having a look at the large number of documents that we have indiscriminately distrubuted, we can find that the "dirty wastepaper" has submerged "lively practice" everywhere.

Nobody can stand wastepaper. Once, Emperor Tai Zu of the Ming Dynasty, Zhu Yuanzhang, listened to a memorial of 17,000 characters read by a minister. The minister had read the first part of 6,370 characters but the emperor still could not catch what he wanted to say. The emperor was so impatient that he ordered that the minister be flogged with a stick as a penalty to warn him not to write tediously long memorials any more. On the next day, the minister continued to read the memorial, and the emperor did not begin to catch his views until he read 16,500 characters. In other words, only the remaining 500 characters were useful. Zhu Yuanzhang hated tediously long documents. In this connection, he even made it a rule that authors of tediously long documents be sentenced to death. Emperor Gian Long of the Ging Dynasty hated long documents too. In an "imperial instruction" he wrote: "From now on, candidates sitting for local examinations and students of the National Academy who sit for the national examination for recruitment of state functionaries shall not write essays longer than 700 characters. [paragraph continues]

Those who write essays with a length exceeding this limit shall not be granted a pass." So he laid down a limit for the length of a document. Today, in order to stop the writing of tediously long documents, we, of course, cannot depend on the death penalty and flogging. However, if we do not adopt some specific measures as the Jinzhou City CPC Committee did, we will never be able to eliminate the excessive number of redundant documents.

Socialist modernization demands high qualification and efficiency on the part of our leading organizations and leading comrades. Long documents do not imply that the authors' qualifications are high, and distribution of an excessive number of documents does not indicate high efficiency either. On the contrary, distributing fewer but useful and short documents does mean high standard and efficiency.

BANK OF CHINA TO REVISE RULES ON LOANS

HK170836 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0951 GMT 15 Aug 86

[Text] Beijing, 15 Aug (ZHONGGUO XINWEN SHE) -- The Bank of China will extend loans to more clients and increase types of loans to support foreign businessmen in making investment and running enterprises.

According to a report in today's JINGJI RIBAO the "provision rules on loans to Chinese-foreign joint ventures," which have been in force for more than 5 years, will be revised.

The paper quoted a responsible person of the bank as saying that the main problems of the current "provisional rules" are as follows:

1. Loans are granted to only one kind of clients. According to the "provisional rules," loans are granted only to Chinese-foreign joint ventures. There is no stipulation in the "provisional rules" on granting loans to Chinese-foreign cooperative enterprises and enterprises solely operated by foreign businessmen, both of which have developed gradually.

2. There are only a few types of loans. According to the "provisional rules," there are only three types of loans -- loans of current funds, settlement loans, and loans of fixed assets. As these 3 types of loans can only meet the needs of enterprises after their completion, they cannot resolve the problems which enterprises may encounter in construction and cannot meet the various needs of foreign businessmen for funds in making investments to build enterprises, large and medium-sized products in particular.

The responsible person said that revising the "provisional rules" means to use the means of loans to guide foreign businessmen to make investment in building production-type enterprises which bring in advanced technology, export-oriented enterprises which can earn more foreign exchange, and enterprises which can produce products to replace imports. The general principle is to restrict some and support some.

The "provisional rules" will reportedly be revised in the following fields: Loans will be granted to more clients, including Chinese-foreign cooperative enterprises and enterprises solely operated by foreign businessmen.

There will be more types of loans. Such currently used international methods as loans of bank groups, reserve credit, and project loans will be conditionally adopted to meet the various needs of foreign businessmen for funds in making investment to build enterprises. The interest rates of loans will be decided on the basis of combining an overall bank interest rate and the market interest rate. The conditions for granting loans and examination and approval procedures will be set more explicitly.

The new rules on loans will be enacted after the approval of the State Council.

Since the promulgation of the "provisional rules" in 1981 the Bank of China has granted some $600 million and 2.6 billion yuan to 852 foreign businessmen and companies making investment to build enterprises.

JIATONG UNIVERSITY URGES ADMISSION PROCESS REFORM

OW221528 Beijing XINHUA in English 1437 GMT 22 Aug 86

[Text] Beijing, August 22 (XINHUA) -- The president of one of China's leading universities says schools of higher learning should have more freedom to select students, the "PEOPLE'S DAILY" reported today. Weng Shilie, president of Shanghai's Jiatong University -- a school of science and engineering -- said his university would like to be able to admit more gifted students regardless of their scores on the national college entrance examination, according to the Communist Party paper. But, he said, the country has maintained the rule that only those who pass the exam can attend public universities, while allowing only a few exceptions. "This has got to be changed" if China is to make the best use of its talented young people, he said.

The government restored the examination requirement system in 1977 to combat favoratism in the university admissions process. The system was also designed to end the "Cultural Revolution" (1966-1976) policy limiting college admissions to those recommended by factories, rural communes and the Army. But some educators argue that the examination puts too much stress on memorization skills and not enough on measuring aptitude for future work. In addition, they say, since students cannot take the examination until just before they graduate from high shool, normally neither candidates nor universities can arrange for admissions until the last two months before college is supposed to begin.

Weng said the rigid policy may be driving some of China's best students to study abroad. "In one case, we wanted to admit two outstanding candidates recommended to us by Shanghai's Shixi Middle School without waiting for their exam results," he said. "But the State Education Commission had told us we could only admit one from the school a year who had not yet passed the exam. We pleaded with the commission but had no success." "Finally one of the students went to study abroad," Weng said. Jiatong has been arguing for admissions reform since 1980. "But it wasn't until last fall that we were allowed to admit people without the exam results, and then we were told we could admit no more than 220 that way," he said. The special admissions program has been a success, said Weng. "Nearly one-third of the 220 were so good that we would let them skip their sophomore year and be juniors this fall," he said.

FUJIAN SOWS AUTUMN GRAIN CROPS; DROUGHT OVER

HK271132 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0218 GMT 26 Aug 86

[Report: "Fujian Sows More Than 16.8 Million Mu of Autumn Grain Crops"]

[Text] Fuzhou, 26 August (ZHONGGUO XINWEN SHE) -- According to statistics of the Fujian Provincial Agriculture Department, more than 16.8 million mu of autumn grain crops have been sown up to this day, of which there are more than 8.8 million mu of double-harvest late rice and 2.8 million mu of sweet potatoes. Moreover, the interplanting area for other food grains has increased by nearly 400,000 mu over last year.

The weather was quite unusual in Fujian this summer. Most areas were afflicted by serious drought, and in some areas, the period of drought last over 1 month. Sowing of continuous-cropping late rice and other crops was impossible due to the lack of water. According to statistics, more than 129,000 mu of double-harvest late rice were thus affected.

Recently, because of Typhoon No 16, there has been rainfall in most areas of the province. Now, drought is over and the peasants are seizing this opportunity to grow sweet potatoes and beans in those unsown late rice fields.

TYPHOON VERA HITS SHANGHAI; SEVEN KILLED

OW280724 Beijing XINHUA in English 0704 GMT 28 Aug 86

[Text] Shanghai, August 28 (XINHUA) -- Seven people were killed and 20 others injured when Typhoon Vera struck Shanghai Thursday afternoon and early this morning, according to preliminary statistics.

According to the latest report this morning from the Shanghai central meteorological station, Vera has left the mouth of the Yangtze River at Shanghai and has moved north out to the Yellow Sea. As a result, the wind in the city has "dwindled."

A municipal official attributed the deaths to storm-related drownings, electrocutions and injuries suffered from collapsing houses. Most of the injuries stemmed from floods and from strong winds that destroyed more than 500 homes southeast of the city, he said, adding that the typhoon also caused 25 traffic accidents and blew down the scaffolding at two construction sites.

Patrol teams worked through the night, making sure the 460-kilometer dikes along the Huangpu River and the seacoast were secure, said the official.

The typhoon disrupted electric power supplies in at least 1,000 places in Shanghai, including some large sections of the city, he said.

In interviews this morning, city officials said extensive preparations had limited the damage from the typhoon. For example, they said, as Vera approached Shanghai's harbor, more than 3,000 ships were piloted into port and 120 pumping stations were readied to avert potential flooding. Doctors mobilized to offer first-aid treatment. And nearly 3,000 electric utility workers at different times patrolled the city in more than 100 trucks, restoring disrupted power supplies.

According to a harbor official, the port also sheltered 20,000 cruise passengers whose voyages were postponed Wednesday.

GUANGDONG GOVERNOR ON DEVELOPMENT PROSPECTS

HK280429 Guangzhou Guangdong Provincial Service in Mandarin 0900 GMT 27 Aug 86

[Text] Governor Ye Xuanping was interviewed by a reporter of the British FINANCIAL TIMES in the provincial government guesthouse this morning. Governor Ye was in a humorous mood as he answered the questions.

He said: The Sixth 5-Year Plan was Guangdong's most prosperous period since the liberation. All economic indices were over 13 percent each year [sentence as heard]. There was a marked improvement in living standards. During the Seventh 5-Year Plan, we want to keep things steady and have decided to control economic growth at about 9 percent.

Ye Xuanping said: The biggest problem now is that the quality of our ranks does not match objective development. Our ranks urgently need to be strengthened and to acquire new knowledge. Problems in electric power, telephones, communications and so on are also becoming more and more prominent. We need to make continuous readjustments to resolve these problems of imbalance.

Ye Xuanping recommended that the reporter read the XINHUA report published a few days ago entitled "The People of Guangzhou Have Been Pounded by Waves Three Times." He said that this report indeed reflects the situation in most of the province's coastal and open areas. It can give an answer to the question of why Guangdong has been able to develop relatively rapidly in recent years. We are also prepared to be pounded by waves for a fourth and fifth time in the course of reform and opening up.

GUANGXI SECRETARY AT RURAL RECTIFICATION MEETING

HK271317 Nanning Guangxi Regional Service in Mandarin 1000 GMT 25 Aug 86

[Text] Reporter (Wei Jiqing) learned from the regional conference on party rectification which had been held from 22 to 24 August that the majority of some 1,200 townships of our region have now completed or will soon complete the party rectification work which actually began in May this year, that due to the fact that they started the work late and under the influence of natural disasters, a small number of places will complete this work in September or October, and that the party rectification work at the village level throughout the region will completely star after September and will be completed before the busy spring farming season next year.

The conference held: Achievements in the party rectification work of the townships of our region are marked and the masses are relatively satisfied with the work. The main experiences are that thinking is unified, the party's aim regarded as the central content, party members' political quality heightened, big cases investigated and dealt with, the solution of the salient problems regarded as the starting point, unhealthy trends corrected and curbed, leadership over the [words indistinct] units strengthened, unhealthy trends of trades and professions corrected, the building of the leadership groups strengthened, and so on.

Regarding the party rectification work at the village level, the conference demanded: It is necessary to adhere to the principle of guaranteeing reform and promoting economic development and to correctly appraise the practical situation of the rural party organizations and party members our region.

Party rectification at the village level will be carried out in two stages: the first stage is to mobilize people to study and to conduct comparison and examination; the second stage is to take organizational measures, to register party members, and to put organizations on a sound basis. It is essential to concentrate on leadership forces, time for party rectification, and the solution of problems. In party rectification at the village level, it is imperative to make good advance preparations and at the same time to train party branch members and village party member cadres with a township as a unit. We must really solve the salient problems of seriously taking advantage of power to seek private ends and of seriously violating law and discipline.

With a view to doing the party rectification work at the village level well the conference demanded: It is necessary to strengthen leadership. Prefectural and city CPC committees must carry out inspection and supervision and give guidance, county CPC committees must be completely responsible, and township CPC committees must do their utmost to strengthen leadership. In the light of their practical situation, all townships must give guidance according to the different situation, divided up the work, assign a part to each individual or group, and at the same time, do well in summing up experiences, checking, acceptance, and grass-roots party building and consolidate and develop the achievements in party rectification.

This conference on party rectification work also demanded: It is necessary to overcome factionalism, to strengthen party spirit, to get rid of all interference, to consolidate and develop our region's stability and unity, and to implement all policies well.

Regional CPC Committee Secretary Chen Huiguang, regional CPC Committee Deputy Secretaries Wei Chunshu and Jin Baosheng attended and spoke at the conference. In their speeches, they all stressed: Through party rectification, it is necessary to promote stability and unity, to regard economic construction as the center, to simultaneously grasp two civilizations, and to make concerted efforts to invigorate Guangxi.

NANYANG CURBS FALSE CHARGES AGAINST REFORMERS

HK290739 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 27 Aug 86

[Text] The discipline inspection commission of the Nanyang City CPC Committee has investigated and affixed the responsibility of those who brought false charges and taken a clear-cut stand to support and protect reformers.

Since they assumed office in August 1984, (Huang Qingyun), manager of the Nanyang City tap water company, and (Ma Zhengde), secretary of the party general branch, have led all staff members and workers of the whole company to carry out reform, enforce labor discipline, and improve operation and management so that this enterprise, whose operation was chaotic and which incurred losses every year, can quickly change its outlook and become a civilized unit of the whole city.

At that time, some individual staff members and workers of the tap water company lodged complaints with the Discipline Inspection Commission of the city CPC Committee against (Huang Qingyun) and (Ma Zhengde) on 12 counts, including the so-called charges of taking advantage of power to seek private ends, envying people of ability of virtue of power, and extravagant eating and drinking.

The Discipline Inspection Commission of the city CPC Committee promptly sent an investigation group to investigate these problems one by one. It found that all these charges were false. The responsibility of those who lay false charges must be investigated and affixed. The Discipline Inspection Commission of the Nanyang City CPC Committee has changed its past method that groundless cases ended up with nothing definite, and it quickly circulated throughout the city the deeds of (Huang Qingyun) and (Ma Zhengde) in adhering to the principles, boldly carrying out reform, and scoring marked achievements. It has taken a clearcut stand to support the reformers and severely punished those who laid false charges.

Since the beginning of this year, the Discipline Inspection Commision of the Nanyang City CPC Committee has received 120 anonymous letters. After serious examination, study, and specific analysis, it has refused to handle the false charges and, according to the seriousness of the cases, it has severely punished or criticized and educated eight persons who brought false charges.

HUBEI EXPENDITURES EXCEED REVENUES JAN-JUL

HK271052 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 25 Aug 86

[Text] The provincial conference on financial work which concluded yesterday provided two figures: The financial revenue of the whole province in the first 7 months of this year was 11.1 percent more than in the same period last year. The financial expenditure of the whole province was 28.3 percent more than in the corresponding period last year. This shows that since the beginning of this year, the financial revenue of our province has steadily increased out its financial expenditure has increased more quickly and has exceeded the revenue.

HUNAN MEETING REVIEWS IDEOLOGICAL WORK PROBLEMS

HK280415 Changsha Hunan Provincial Service in Mandarin 2200 GMT 27 Aug 86

[Excerpts] Liu Zheng, deputy secretary of the provincial party committee, said at the provincial symposium on ideological and political work on 27 August that all localities and departments must strengthen and improve ideological and political work in the spirit of being keen on reform, so as to make still greater contributions to invigorating Hunan's economy, strengthening the building of the two civilizations, and building socialism with Chinese characteristics.

Comrade Liu Zheng said: The party committees at all levels must learn from the experiences of the Zhuzhou city committee and assign an important place on their agenda to stepping up ideological and political work and the building of civilized units. [passage omitted]

He said: In embracing new concepts, we must destroy the bindings of the traditional concept of small production and establish the new concept of helping to develop socialist commodity economy. We must further eliminate ossified leftist thinking and establish the new concept of building socialism with Chinese characteristics. We must eliminate the remnant influence of feudalist thinking and promote the new concept of strengthening socialist democracy and legal system.

Comrade Liu Zheng stressed that the current problem is that we are relatively sensitive to the corrosion stressed by decadent capitalist thinking but always lack a deep understanding of the remnant influence of feudalist thinking and the harm it does. For instance, certain current serious problems such as abusing powers, appointing acquaintances to official posts, and pursuing unhealthy trends are in fact expressions of the feudalist idea of special privilege. It is therefore obviously a reversal of right and wrong to ascribe these things to reform and opening up.

Comrade Liu Zheng said that the cardinal link in urban economic structural reform is to expand and respect enterprise decision-making powers and enliven the enterprises. But why is it that certain leading organs cannot bear to delegate powers and are still stifling things to death by over-rigid controls? An important reason is that they are still haunted by the feudal concept of concentration of powers. We must therefore further eliminate the remnant influence of feudalist thinking in politics, ideology, and culture, and strengthen our concept of socialist morality. At the same time, we must integrate strengthening education in ideals and discipline with implementing the principle of material encouragement, integrate stepping up education in serving the people with improving management and reducing deficits and increasing surpluses, and integrate stepping up education in professional ethics with encouraging competition. We must both invigorate the economy and guard against the corrosion of capitalist thinking. [passage omitted]

He said: In the coming period, we must concentrate our main efforts on three major affairs:

1. We must step up education in the situation and policies and do a good job of ideological work centering around the newly-tabled major reform measures, including reforms of the labor system and perfection of the plant manager responsibility system.

2. The leaders must take the lead in helping people to acquire new concepts, centering around carrying out all-round reform and developing socialist commodity economy

3. We must launch a drive to create civilized units in the uuban and rural areas. [passage omitted]

The symposium opened on 25 August. [passage omitted] Mao Zhiyong, secretary of the provincial party committee, presided. Chen Bangzhu, member of the Standing Committee of the provincial party committee and vice governor, conveyed the important speeches of leading central comrades. (Li Yuanju), deputy director of the Propaganda Department, conveyed the spirit of the national report meeting on building civilized villages and towns. Representatives of over 20 units including Zhuzhou and Hengyang city party committees introduced their experiences.

SICHUAN LEADER URGES EFFORTS TO BALANCE BUDGET

HK280555 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 27 Aug 86

[Excerpts] Vice Governor Gu Jinchi spoke at a telephone conference convened by the provincial government of 27 August to implement the spirit of the national financial the taxation work conference. He demanded that all areas take action to increase revenue and economize spending. All levels must achieve a balanced budget.

Comrade Gu Jinchi said that in the first 7 months of this year, the province's economic situation was good, but progress in financial revenue was slow. Expenditure has continued to increase sharply. The leaders at all levels must attach a high level of importance to this problem. Gu Jinchi stressed that the following measures must be taken in order to achieve a balanced budget throughout the province:

1. Vigorously promote production and circulation and get a good grasp on organizing revenue work during the peak season. We must do everything possible to help the enterprises achieve high quality and output, economy in energy, reduced input, lower production costs, and reduced deficits and increased surpluses. [passage omitted] We must continue to step up tax collection work. The leaders at all levels must promptly find out the situation and discover and solve problems. We must put right the problems of lack of strict control over tax collection and serious tax evasion in places. All tax must be collected in accordance with the provisions of the tax law. People are not allowed to engage in negotiations over tax collection or to waive or reduce taxes in an arbitrary way. [passage omitted]

2. Tangibly reduce expenditures and keep them below the targets set by the state. We must take stock of capital construction projects and halt or slow them down as necessary. [passage omitted] We must pay special attention to preventing a sudden rush of spending at year end.

3. We must strive for a balanced budget at all levels, without any deficit counties. Expenditure must be arranged in line with the principle of living within one's means, and all revenue and expenditure forecasts must be reexamined. If, for normal reasons, the growth of revenue in some counties cannot keep up with the rise in expenditure, and there are indeed difficulties there in balancing the budget, the prefecture and the province will, after verifying the facts, provide a temporary subsidy, as the basis for balancing the budget. Leaders must be held accountable if such subsidies are diverted to other expenditure or if there is still a deficit at yearend.

4. Continue to carry out major checks on tax collection and finances, and close loopholes. [passage omitted]

XIZANG MILITARY DISTRICT STRESSS LEGAL KNOWLEDGE

HK271425 Lhasa Xizang Regional Service in Mandarin 1130 GMT 25 Aug 86

[Excerpts] Recently the Political Departments of the Xizang Military District issued a circular to all Army units under it, calling on them to popularize basic legal knowledge in a down-to-earth manner.

The circular reads: At present, most units in the Xizang Military District have extensively conducted education in popularizing basic legal knowledge and they have finished studying courses of basic legal knowledge, achieving some results. However, a handful of units have only concentrated on examinations, but ignored the quality of the education in popularizing basic legal knowledge. In view of this, the circular demands that all Army units ensure the quality of the education. [passage omitted]

On how to properly conduct education among cadres above the regimental level in popularizing basic legal knowledge, the circular stresses that the study of basic legal knowledge by cadres above the regimental level is a weak point. There are many reasons for this, the basic one being the failure to fully understand the significance and role of education in popularizing basic legal knowledge. Therefore, the circular demands that cadres above the regimental level correctly handle the relationship between study and work, and make specific arrangements for the study in time, contents, methods, and steps, so as to ensure the study of basic legal knowledge.

In conclusion the circular demands that all units combine education on polularizing basic legal knowledge with practice and calls for solving five problems in this respect:

1. In connection with cadres and soldiers' attitude toward military service, first sovle the problem of their idea that serving in the Army means losses, especially serving in Army units in Xizang.

2. In connection with cadres and soldiers' sense of rule by law, their discipline and style, mainly solve the problems of forming small cliques, uniting with only townsmen, and drinking wine.

3. In connection with the actual problems that cadres and soldiers met in their daily life and work concerning their love, marriage, families, and relationship with others, mainly solve the problems of their [words indistinct], disappointment in love affairs, and others.

4. In connection with the management and education of the Army, mainly solve the problems of beating, scolding soldiers, imposing physical punishment on soldiers, and taking more than one's share.

5. In connection with party style and party discipline, mainly solve the problems of offering bribes, taking bribes, and seeking private interests by taking advantage of one's power.

YUNNAN MEETING ON ARMED FORCES, ARMY RECRUITMENT

HK280659 Kunming Yunnan Provincial Service in Mandarin 2200 GMT 27 Aug 86

[Excerpt] On the morning of 27 August, the provincial Military District convened a provincial meeting to summarize the work of transferring county and city People's Armed Forces departments to local authorities, as well as the province's 1986 Army recruitment work conference.

Zhao Yongmao, deputy commander of the provincial Military District, presided over the meeting. Dao Guodong, vice governor of the province, delivered a speech.

Vice Governor Dao fully affirmed the province's work of transferring county and city People's Armed Forces departments to local authorities. He said: The work as a whole has been fully prepared. The progress is smooth and the party style is healthy. There have been no incidents concerning the matter, and the Army, local authorities, and the People's Armed Forces department are all satisfied with the work. Once the work was completed, the local governments promptly put the People's Armed Forces departments in their local administrative setup and organized their work in a coordinated way.

Regarding this year's Army recruitment work, Vice Governor Dao Guodong urged all leaders to further heighten their understanding and to really establish the idea of doing well in the recruitment work, in order to achieve Army modernization and provide qualified personnel for both the Army and localities. [passage omitted]

BEIJING LABOR OFFICIAL ON CITY UNEMPLOYMENT

OW281451 Beijing XINHUA in English 1356 GMT 28 Aug 86

[Text] Beijing, August 28 (XINHUA) -- Out of 10,000 workers in Beijing, there are only four unemployed, Gong Shuji, director of the Beijing Labor Bureau, announced here today. Speaking at a press conference, Gong said that the city has a total of 3.85 million workers, with 1,600 unemployed at present. Some of the unemployed have been offered jobs, the director said, but they don't want to take them because the jobs are not to their taste.

The city's unemployed amounted to 400,000 in 1979 when the nationwide economic reform began, according to the director. Many private businesses have sprung up since. These private businesses, together with state-owned and collective enterprises, employed 640,000 people between 1981 and 1985. The ages of the male labor force range from 18 to 60 years, and the female from 18 to 55.

FIRST TIANJIN UNITS COMPLETE PARTY RECTIFICATION

SK290217 Tianjin TIANJIN RIBAO in Chinese 14 Aug 86 p 1

[Text] So far, the first group of grass-roots units in the municipality's rural areas have basically completed their party rectification work. Through inspections and acceptance tests, about 99 percent of these units were proved up to standard or basically up to standard.

The party rectification work of our municipality's first group of rural grass roots units began comprehensively in March this year after full preparations. A total of 2.219 grass-roots party branches of village-run and township-run enterpreises participated in party rectification work. Based on the four basic tasks on party rectification put forward by the central authorities, the party committees at all levels have stressed the consolidation of leading bodies of the party branches, checked the unhealthy trends of abusing one's power to seek personal gains and violating discipline and the law, and organizationally consolidated some 300 leading bodies that cannot meet the needs of reform, lack devotion, a sense of responsiblity toward the revolutionary cause, and combat strength.

To date, about 62.9 percent of the village party branches and 70 percent of the party branches of township enterprises have completed their party recitification work.

JILIN PREPARES FOR VILLAGE-LEVEL RECTIFICATION

SK290549 Changchun JILIN RIBAO in Chinese 16 Aug 86 p 2

[Excerpts] More than 1,000 village party branches with nearly 300,000 party members are preparing for party rectification in the coming winter and spring. To fulfill the village-level party rectification task, all localities throughout the province have conscientiously attended to the preparatory work for party rectification. All localities called on leaders to pay attention to the work, to rapidly go into action, to carefully study, to make specific arrangements, and to make efforts to ensure that party rectification is carried out solidly and steadily.

So far, all localities have transferred 1,600 cadres to the village to take charge of party rectification work. Most of them are cadres from city, county, and township organs, veteran comrades who have withdrawn to the second-line posts, and graduates from the cadres' training courses of the party schools and institutions of higher learning. Grass-roots personnel are not going to take these cadres' places after they are transferred to the villages. The key to judging the preparatory work for village-level party rectification is whether or not we can achieve the desired results in the work of sorting out financial affairs. So, the localities have thrown much energy and labor forces into the work of sorting out financial affairs. [passage omitted]

The cities, prefectures, and autonomous prefectures have successively readjusted the leading bodies of the village party branches over the past few years. In accordance with the guidelines of the provincial party rectification work conference, these cities and prefectures decided to readjust the paralysed and semi-paralysed leading bodies and the leading bodies that are incompetent in guiding the party rectification work after finishing the work of sorting out financial affairs. [passage omitted]

To gain experiences and to better guide the village-level party rectification work which will start in the coming winter and spring all localities have assigned some villages to conduct village-level party rectification on a trial basis. [passage omitted]

So far, many cities and prefectures have organized and sent personnel to some village party organizations to conduct investigations to know the real situation, to analyze each and every party branch and party member, to correctly learn the major problems we should solve during the course of party rectification -- particularly serious the problems of abusing one's power for selfish ends and violating the law and discipline -- and to lay a foundation for ensuring that we solve problems and not create chaos through party rectification.

LIAONING PROVINCE TO RENOVATE ENTERPRISES

OW290402 Beijing XINHUA in English 0156 GMT 29 Aug 86

[Text] Dalian, August 29 (XINHUA) -- Northeastern China's Liaoning Province plans to renovate 700 of its leading state-owned enterprises along its prosperous coast by 1990, leading official said today.

Zhu Jiazhen, vice-governor of the province, told XINHUA the renovation would require 1.3 billion U.S. dollars in foreign investment. Enterprises slated to be retooled include oil refineries, and chemical, machine-building, building materials, textiles and electronics factories, Zhu said.

GOVERNMENT URGED NOT GO GIVE IN TO U.S. PRESSURE

OW281425 Taipei CNA in English 0941 GMT 28 Aug 86

[Text] Taipei, Aug 28 (CNA) -- A leading newspaper in Taipei has called on the ROC [Republic of China] Government not to make rash concessions while under U.S. pressure concerning American cigarettes and alcoholic beverage import prices and advertising rights. The call came amid reports that ROC-US negotiations on the terms of import liberalization have hit a snag.

The CENTRAL DAILY NEWS said in its Wednesday editorial that the ROC's 185 percent monopoly tax compares favorably with Japan's 200 percent tax and South Korea's 190 percent tax and, therefore, cannot be lowered. Besides, the editorial said, "It is not fair that the nation lower its monopoly tax only for tobacco and wine while other monopoly taxes remain at 185 precent." Concerning the advertising and labeling of imported American cigarettes and alcoholic beverages, the editorial said that "Americans should not treat their foreign trade partner with less regard than they do their own people."

The editorial added that both the ROC and the U.S. run sizeable anti-smoking campaigns in their societies. While Americans demand that cigarette packages carry health warnings when sold in the U.S., it is unacceptable for the ROC to be forced to accept imported cigarettes without warning labels.

COMMENTARY VIEWS PRC-USSR BORDER INCIDENT

OW281445 Taipei CNA an English 1409 GMT 29 Aug 86

[Text] Taipei, Aug. 28 (CNA) -- The following is commentary by the Broadcasting Corporation of China (BCC) in Taipei entitled "Another Border Clash?"

Quoting an unidentified source in Peking, Japan's YOMIURI SHIMBUN newspaper reported last week that one Chinese Communist soldier was killed and another wounded in a clash with the Soviets last July 12 along the Sino-Soviet border in The Sinkiang Uigur Autonomous Region. According to the report, this was the latest armed clash between the two communist neighbors since their major border skirmishes in the late 1960's.

Undoubtedly, many people in the West would like to see a repetition of the earlier clashes, because that would indicate tension between Moscow and Peking has remained unabated despite their gradual rapprochement in the last few years. The YOMIURI report has been confirmed by Peking and Moscow. However, one should not attach too much significance to it. In the first place, isolated incidents do not spell a general trend. The general trend now-a-days is increasing than between the two communist neighbors, instead of continued hostility. In the second place, the Sino-Soviet border is probably the longest land border in the world, stretching thousands of miles. Minor incidents are difficult to prevent especially when both sides are heavily guarded.

One indication that nothing serious has happened is that both Moscow and Peking have remained silent about the reported border clash. A Soviet Foreign Ministry spokesman said last Friday that everything is quite on the Soviet frontier with Red China, adding: "At present, unsettled problems on the Chinese border do not exist."

Another sign that the rapprochment process is still going on was revealed in Soviet Leader Mikhail Gorbachev's olive branch extended to Peking in July, right after the reported border incident.

Although Peking's official response to the Soviet offer was cautious, the reaction among the top Chinese Communist leadership has been one of guarded optimism. The Chinese Communist regime has reiterated its demand for a quick solution of the so-called "three major obstacles" to a full patch-up, but it has taken steps to further mend fences with the Soviets. Right now, the mayor of Peking is in the Soviet Union on a two-week visit, which the Chinese Communist press described as a goodwill one. While nothing important is likely to come out of the visit, nobody could misread its significance, because he is the first mayor of Peking to visit the Soviet Union in two decades.

So what one can predict with certainty for the months ahead is that efforts to settle the differences between the Soviet Union and Red China will continue with or without the reported border incident. The reason is that both sides hope to play their geopolitical game against each other and, more importantly, against the United States.

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ZHAO ZIYANG GREETS NONALIGNED SUMMIT OPENING

OW311700 Beijing XINHUA Domestic Service in Chinese 1315 GMT 31 Aug 86

[Text] Beijing, 1 Sep (XINHUA) -- Chinese Premier Zhao Ziyang sent a message to the Eighth Meeting of Nonaligned State and Government Heads today to extend warm congratulations on the opening of this summit and the 25th founding anniversary of the Nonaligned Movement. The full text of the message follows:

Harare

The Eighth Meeting of Nonaligned State and Government Heads:

On the occasion of the opening of the Eighth Meeting of Nonaligned State and Government Heads and the 25th anniversary of the founding of the Nonaligned Movement, I wish to extend to you warmest and most sincere congratulations on behalf of the Chinese Government and people.

During the last quarter of the century, the nonaligned countries have made tremendous achievements in both the lofty cause of maintaining world peace, safeguarding national independence and state sovereignty, and developing national economy; and the protracted struggle against imperialism, colonialism and neo-colonialism, hegemonism, racism, and all forms of foreign aggression, occupation, control, and interference. The Nonaligned Movement, which reflects the historical trend that people of various countries want to control their own destiny, maintain peace, and work for development, is a political force with significant weight in the international community today.

Practice has proven and will continue to prove the powerful vitality of the principle and purpose of independence, nonalignment, and non-bloc established by the founders of the Nonaligned Movement. No force on earth today can change the right course chosen by hundreds of millions of people of the nonaligned countries.

The convocation of the Eighth Meeting of Nonaligned State and Government Heads in Zimbabwe, a frontline African state, has special significance. The current situation in southern Africa has aroused serious concern of the international community, and the perverse policy in the South African authorities has been denounced by the whole world. Your conference will surely make important contributions to soliciting support for the just struggle of the peoples in southern Africa, uprooting racial discrimination and apartheid, and winning the complete liberation of the African continent.

The Chinese Government and people highly value the basic principle and purpose of the Nonaligned Movement. China has unswervingly pursued an independent foreign policy of peace and will never enter into any alliance with any big power. The basic principle of this policy is in accord with the purpose of the Nonaligned Movement. We maintain profound friendship with a vast number of nonaligned countries and have good cooperative relations with them in international affairs. I am deeply convinced that this friendship and cooperation will be further consolidated and developed.

We wish that the Nonaligned Movement, led by Prime Minister Mugabe as its new chairman, will further strengthen unity and make still greater contributions to peace, independence, disarmament, development, and the establishment of a new international economic order!

We wish the Eighth Meeting of Nonaligned State and Government Heads a complete success!

[Signed] Zhao Ziyang, premier of the State Council of the People's Republic of China

[Dated] 1 September 1986

RENMIN RIBAO MARKS PROGRESS OF NONALIGNED MOVEMENT

HK010940 Beijing RENMIN RIBAO in Chinese 1 Sep 86 p 1

[Editorial: "The Glorious Course of the Nonaligned Movement"]

[Text] Today is the 25th founding anniversary of the Nonaligned Movement. On the occasion of this significant commemoration day, the Eighth Meeting of Nonaligned States and Government Heads had opened solemnly in the Zimbabwean capital of Harare. The Chinese people wish to extend their warm congratulations to the countries and people engaged in the Nonaligned Movement.

During the past 25 years, which have been marked by a changing world situation, the Nonaligned Movement has made tremendous contributions to safeguarding world peace and promoting social progress and to the healthy development of the international situation. It has supported the national liberation movement and the struggle of developing countries to safeguard their state sovereignty and national independence and to develop their national economics. It has opposed imperialism, old and neo-colonialism, hegemonism, racism, and all forms of domination by foreign powers, and has worked to fight the arms race and contention between blocs of states. It has stood for change in the old international economic relations, the establishment of a new international economic order, and the development of South-South cooperation and North-South dialogue. All of this indicates that the Nonaligned Movement, as an independent political force, is playing an active role and exercising an ever greater influence in international affairs.

The Nonaligned Movement has continued to develop and grow in strength with the advance of time and history. Following World War II, the national liberation movement developed vigorously and large numbers of countries in Asia, Africa, and Latin America won independence one after another. Nevertheless, imperialism and old and neo-colonialism would not step down from the state of history of their own accord. The two superpowers organized antagonistic military blocs to enter into global rivalry. The vast numbers of small and medium countries, particularly the newly independent nations, will never let the big powers ride roughshod over them. They are determined to take their destiny into their own hands, safeguard national independence and sovereignty, and defend world peace. The Nonaligned Movement arose at this historic moment and won extensive sympathy and support in the world. The number of its member-countries has grown from 25 in the beginning to 101 at present, nearly two-thirds of the countries in the world. This fully shows tha the Nonaligned Movement conforms to the historical trend of the times and therefore has great vitality.

During its 25-year hard but glorious course, the Nonaligned Movement has withstood external interference and presure. The superpowers have used every method to influence and interfere in the Nonaligned Movement in an attempt to divert it from its original path. Difference between some member-countries have also affected, to a certain extent, the unity of this movement and the role it has played. It is gratifying to note that the Nonaligned Movement has withstood all kinds of tests and has stuck to its independent, nonaligned, non-bloc, right course. It is becoming more and more mature and increasingly stronger.

At present, the peace forces in the world are growing, but the international situation remains turbulent and intranquil. The arms race between the superpowers is still going on, and armed aggression and external interference have not ended. Racism is still very rampant is some parts of the world. The unreasonable international economic order has subjected developing countires to continued exploitation and damage and has further widened the gap of wealth between the North and the South. Confronted with these major issues concerning world peace and devleopment, the Nonaligned Movement is entrusted with heavy responsibilities. We firmly believe that the Eighth Meeting of Nonaligned State and Government Heads will further define the tasks of the Nonaligned Movement and courageously face all challenges. The current meeting held in Zimbabwe, the frontline of Africa, will be of enormous support to the struggle waged by the South African countries and people for national liberation, safeguarding state sovereignty, and abolishing racial segrgation.

Facts over the past 25 years have proved that the basic principle and purpose of independence, nonalignment, and a non-block stance are the lifeline of the Nonaligned Movement. The Chinese people highly appreciate the above basic principle and purpose of the Nonaligned Movement. China will firmly keep to its independent foreign policy, cooperate closely and work together with the nonaligned countries for world peace and development and for the progress of mankind, and advance hand in hand with them toward this end.

We wish the Eighth Meeting of Nonaligned State and Government Heads complete success!

XINHUA VIEWS NAM SUCCESSES, FAILURES

OW301020 Beijing XINHUA in English 0655 GMT 30 Aug 86

["NAM Advances Historical Trends by Chen Shengtao" -- XINHUA headline]

[Text] Harare, August 30 (XINHUA) -- Leaders of the 101 members of the Non-Aligned Movement (NAM) are converging on Harare where they will hold the eighth NAM summit and take part in the movement's jubilee celebrations.

Once again NAM leaders will discuss major world issues and pronounce their positions.

People, while hoping for the success of the conference, are tempted to reflect on the movement's successes and failures.

Product of the current trends of the times, the movement has served to advance the non-aligned countries.

Nations want to be independent, countries want to develop and people want peace. This is a post-war reality.

European powers have been debilitated by war and colonial peoples have awakened and many have won independence.

In the midst of a mounting wave of national liberation movements, the world political map has changed. Imperialists and colonialists, however, reluctant to retire from the stage of history, have put up a tough resistance. Newly independent peoples have been subject to oppression, intervention or even aggression by neo-colonialists, imperialiss and hegemonists.

While the economic might of the United States and the Soviet Union has been built up and Europe and Japan have undergone a renewal, the vast number of Third World countries have been struggling for economic development and independence. But, tied to the existing world economic order, they have experienced many difficulties along the way. Development has occurred at a snail's pace and the gap between the developing and the developed world has become a chasm.

The United States and the Soviet Union, the two great powers among the victors of World War II, have become military superpowers. In their scramble for world hegemony, they have rigged up military blocs for establishing spheres of influence. The result is: Cold war is recurring and humankind is overshadowed by the threat of nuclear war.

Wars resulting from superpower rivalry combined with other factors have taken place in Asia, Africa and Latin America, causing inestimable losses in life and property.

It was precisely in this context that the Non-aligned Movement, aimed at promoting independence, development and peace, came into being. The movement declared to the world, "Mankind has always aspired to freedom, well-being and peace...and the urgent needs of nations make them a historical necessity."

Over the past 25 years, NAM has worked strenuously and fruitfully for these objectives and has, along the way, grown into a political force independent of the superpowers and their blocs. NAM's membership includes a large number of small and medium-sized countries, nearly all of which are developing nations.

When NAM was organized in 1961, many nations were still groaning under colonial rule. At its very outset NAM called for "the immediate unconditional, total and final abolition of colonialism."

The movement "resolved to make a concerted effort to put an end to all types of new colonialism and imperialist domination in all its forms and manifestations."

By the time of its fourth summit, in 1974, NAM, in view of the changed world situation, called on its member states to "consolidate their independence through the effective exercise of their national sovereignty against any type of hegemony."

NAM also advocated that to be completely independent, free from foreign domination, it is imperative for newly independent nations to continue struggling for economic, social and cultural independence and exercise "the right to determine and freely choose the forms and methods of their political, economic, social and cultural development."

These propositions related to independence have given vigorous impetus to the struggle of national liberation movements worldwide.

In the post-war period, at least 80 countries have become independent sovereign states -- a major development in our age.

NAM was the first to propose the establishment of a new world economic order and has championed such an order since. NAM has also proposed North-South dialogue as a way toward prosperity for all as economies in today's world are interdependent.

With regard to economic relations between developing countries themselves, NAM has called for South-South cooperation as a strategy for realizing collective self-reliance. NAM also showed its far-sightedness by relating development to complete independence and the preservation of peace and security. NAM's proposed solutions to development problems have won the support of many other countries, including some of the industrialized world. A few of them have been accepted by the United Nations.

In advancing the security of the peoples, NAM not only seeks to promote disarmament between great powers and peaceful coexistence between countries with different social systems, but it also advocates realization of peaceful coexistence and detente between states with the same systems.

NAM believes that peaceful coexistance presupposes respect for the rights of all peoples to self-determination, independence, national sovereignty and territorial integrity, recognition of the right to resist foreign intervention and carry out reforms, and democratization of international relations.

NAM has played an increasingly important role in world affairs. For that reason, its ranks have expanded steadily. Today, NAM countries account for more than two billion people and constitute a pivotal force in the current multi-polar structure of world politics.

The success of NAM is owed largely to its "non-bloc" and "anti-bloc" political orientation, which it has steadfastly upheld under extreme external pressures, thus enabling it to support the interests of the developing world and national liberation movements and to adopt highly realistic policies.

NAM SUMMIT LIKELY TO CONDEMN U.S., S. AFRICA

OW010732 Beijing XINHUA in English 0650 GMT 1 Sep 86

["News analysis: NAM Summit To Adhere to Political Orientation (by Yao Yun)" -- XINHUA headline]

[Text] Harare, August 31 (XINHUA) -- Harare, the capital of Zimbabwe, becomes the focus of world attention this week as leaders of the non-aligned countries from five continents converge for their triennial summit, which opens tomorrow. Diplomats and journalists alike are wondering what line the summit will adopt towards the two superpowers, as the Non-aligned Movement (NAM) counts non-alignment and independence among its guiding principles.

The United States is very worried that it may become the major target for condemnation at the summit because of its air raids on Libya, interference in Nicaragua, support for Angola's anti-government forces, complicity in the apartheid policy of South Africa and the pressure it has put on Zimbabwe.

When discussing the agenda for the summit at the NAM senior officials' meeting early last week, the Syrian representative requested that "state terrorism" and "U.S. threats against some Arab states" be included in the summit deliberations. At the same time, the Libyan representative suggested the summit discuss "ways and means to protect member states of the Non-aligned Movement from acts of aggression committed by a great power," in obvious reference to the United States.

U.S. diplomats said that in the draft political declaration for the summit, the United States is singled out 50 times for criticism, compared with 23 times in the declaration adopted at the 1983 New Delhi summit and the 14 times in the declaration of the 1979 Havana summit.

Conference sources disclosed that representatives of some "moderate" countries expressed opposition to the effort to denounce only the U.S., arguing that the movement should treat the two superpowers equally.

The foreign ministers' meeting that followed the senior officials meeting finally approved the original agenda after rejecting the requests of Syria and Libya.

Observers here believe it is inevitable the United States will come under fire at the summit, but the conference will not be out of balance. The summit will stick to the NAM principles by reaffirming "non-alignment" and the opposition to "great power and bloc politics," imperialism, colonialism, neo-colonialism, hegemonism, racism, Zionism and foreign aggression, occupation and domination.

The problems in southern Africa will be highlighted by the summit, both because the issues of the region are now at the center of world attention and because of the proximity of South Africa to the host nation of Zimbabwe. In the past few days, representatives have urged that apartheid be completely eradicated as an "inhuman" practice.

However, on sanctions against South Africa, misgivings exist among quite a number of countries, in particular some southern African countries that depend heavily on South Africa for trade and transportation. Some of these nations have indicated that they are not able to commit themselves to sanctions because of their inability to withstand the economic consequences that would result from retaliation by South Africa.

Nevertheless, the demand for sanctions against South Africa is consistent with the prevailing mood in Harare. The foreign ministers adopted a draft special declaration on southern Africa and a statement denouncing the recent massacre of blacks in the Township of Soweto by security forces of the Pretoria regime.

Both documents were not part of the original agenda.

The draft special declaration on southern Africa calls for independence for Namibia without delay, sanctions against South Africa and support for the "frontline states" of southern Africa. Noteworthy is a proposal in the document for the establishment of a solidarity fund for southern Africa to be used as emergency as well as long-term assistance for infrastructural development in frontline states so that they can stand up to South Africa's economic reprisals.

Although collecting funds is not an easy job, the proposal reflects the determination of the 101-member Non-aligned Movement to struggle against the apartheid regime. No doubt, appeals for firm opposition to apartheid and for mandatory and comprehensive sanctions against the Pretoria will feature prominently in the summit.

Also high on the agenda will be economic problems. The developing countries find themselves in a most unfavorable position in a world economic order that they consider unfair. In a televised statement a few days ago, Zimbabwean Foreign Minister Witness Mangwende said developing countries lost about 76 billion U.S. dollars to the developed nations in economic dealings last year. Now, the combined external debt of the developing countries has reached 1 trillion U.S. dollars. The draft economic declaration to be submitted to heads of state for approval next week contains 147 proposals; this is of great significance to the establishment of a new world economic order which is just, equitable and beneficial to both the developing and developed countries.

Because the North-South dialogue remains stalled, NAM delegates are showing increasingly great enthusiasm for South-South cooperation. They have already proposed that official or non-governmental committees on South-South cooperation be established as permanent NAM institutions to promote such cooperation. This is a new development in world economic relations and its vitality cannot be underestimated.

Apart from these issues, the venue for the ninth NAM summit in 1989 has become a hot topic both inside and outside Harare's International Conference Center. Under non-aligned rules, the host of the next summit should be a Latin American country. At present, Nicaragua is trying hard to become the host, and consequently the NAM leader for the three years after 1989.

Nicaragua is backed by Cuba and some other "radical countries", but it would be an unacceptable NAM leader in Washington's eyes. The U.S. has reportedly dispatched diplomats to Harare in an attempt to spike Managua's efforts, and some countries that maintain close relations with the United States have raised objections to holding the next summit in Nicaragua. Peru and Argentina also enjoy considerable backing from some countries, and differences within the NAM ranks may lead to the shelving of this question at the summit.

On the eve of the summit, NAM delegates are watching out for possible interference by the superpowers and acts of sabotage by South Africa. Security has been tightened around the airport, the conference center and hotels where delegates are staying.

The Non-Aligned Movement has 101 members and those nations differ on some issues. But, observers say, guided by the common desire for independence, development and peace, the NAM members will work together to make the eighth summit a success.

WAN LI ATTENDS GYMNASTICS TOURNAMENT 29 AUGUST

OW311021 Beijing XINHUA Domestic Service in Chinese 1217 GMT 29 Aug 86

[By reporters Li Hepu and Bi Jing]

[Excerpts] Beijing, 29 Aug (XINHUA) -- This afternoon 31 gymnasts from 13 different countries, all the best in the world, were lifted by an electric escalator to the stage of the China Theater in the capital. At this moment, a thunderous ovation burst forth and the Seventh World Cup Gymnastics Tournament officially opened. The tournament is to take place in the Shoudu Gymnasium from 30 August through 1 September. [passage omitted]

Among those present at today's opening ceremony were Wan Li, vice premier of the State Council, and Peng Chong, vice chairman of the NPC Standing Congress and honorary president of the Chinese Gymnastics Association. Before the opening ceremony, they met with Titov, president of the International Gymnastic Federation, and other officials of the federation as well as leaders of the various delegations to this tournament. Wan Li said that sports are the bridge for friendship and that people of various countries can safeguard world peace and develop their friendly relations through international sports activities. In a humorous manner, he said to others: "I hope the Chinese athletes will win more gold medals in this tournament. Similarly, I presume, our friends who are present here hope that their own atheletes will win more medals." President Titov said: "Even those athletes who win no medals at all are expected to give spectacular performances in this tournament.

At the meeting, President Titov presented Vice Premier Wan Li with a commemorative coin of the International Gymnastic Federation. The opening ceremony was followed by music, dance, and acrobatic programs.

LI PENG HONORARY CHAIRMAN OF COMING BOOK FAIR

OW291522 Beijing XINHUA in English 1449 GMT 29 Aug 86

[Text] Beijing, August 29 (XINHUA) -- Preparations have been completed for the first Beijing International Book Fair, which is to open September 5 at the Beijing Exhibition Center, a fair official said here today. Speaking to Chinese and Beijing-based foreign reporters, the official said that the fair will display about 5,000 titles, covering natural sciences, engineering and technology, social sciences and humanities.

Chen Weijiang, deputy director of the fair organizing committee, said, "The aim of the book fair is to promote the book trade between China and foreign countries and strengthen the friendly cooperation between international publishing and book trade circles." Chen Weijiang, who is president of the China National Publications Import and Export Corporation, said that the Beijing International Book Fair will be held every two years.

Participants in the fair consist of 1,055 publishing firms from 35 countries, regions and international organizations, including some from Britain, China, the Federal Republic of Germany, Hong Kong, Japan and the United States.

The 178 Chinese publishing houses participate in the fair. Among the participating foreign publishing firms are the McGraw-Hill Book Co. and Time-Life Books from the United States, the World Publishing House from the Soviet Union, Pergamon Press from Britain, Springer Verlag from the Federal Republic of Germany and Kodansha from Japan.

Chen said that Li Peng, vice-premier of the State Council, is honorary chairman of the organization committee of the book fair.

During the fair, publishing industry organizations from the United States, Switzerland and other countries will give 13 special seminars on such subjects as library automation and micrographic technology.

DENG XIAOPING GIVES TV INTERVIEW TO MIKE WALLACE

OW020736 Beijing XINHUA in English 0726 GMT 2 Sep 86

[Text] Beijing, September 2 (XINHUA) -- Deng Xiaoping, chairman of the Central Advisory Commission of the Chinese Communist Party, gave a TV interview here today to Mike Wallace, correspondent of the "60 Minutes" program of the CBS News of the United States. Deng answered questions about China's economic reform, China's reunification, Sino-U.S. relations and Sino-Soviet relations.

GUANGZHOU TO HOLD EXPORT FAIR IN NEW YORK

OW300510 Beijing XINHUA in English 0037 GMT 30 Aug 86

[Text] Beijing, August 30 (XINHUA) -- Guangzhou, capital of southern China's Guangdong Province, has set its first export fair in New York for September 8 to 23, the "PEOPLE'S DAILY" reported today. The fair is designed to increase Guangzhou's export trade with the United States, the paper quoted an official of the Guangzhou Foreign Trade Commission as saying.

"The fair should also help us get a better sense of what we can sell in international markets," he said.

On display at the fair will be 431 of Guangzhou's products, including light industrial goods, textiles, handicrafts, pure cotton garments, clothes, shoes and traditional redwood furniture.

PRC-U.S. ACADEMIC INSTITUTION OPENS IN NANJING

OW300512 Beijing XINHUA in English 0043 GMT 30 Aug 86

[Text] Nanjing, August 30 (XINHUA) -- The first Sino-American cooperative entity of higher learning and study will open in this capital of Jiangsu Province on September 10.

Sponsored and funded by Nanjing University in Jiangsu and the Johns Hopkins University in the United States, the Center for Chinese kand American Studies aims at training specialists, lecturers and researchers, and conducting international acedemic conferences.

It will enroll 40 Chinese and 23 American master's degree candidates this year, and 50 Chinese and 50 Americans next year.

Noted Chinese and American professors, as well as foreign scholars are invited to give lectures at the center.

The center's courses will include "China's Political Parties and Organizations", "Mao Zedong's Political Theory", "International Communist Movements", "Foreign Relations of the People's Republic of China", "Contemporary American Social Problems", "Formulation of American Foreign Policies", "America's Policies Toward China After the War", and "Major Problems of the Present World Economy".

Diplomas will be given to graduates of the one-year course and the best Chinese students will be sent to the United States to continue their studies.

HSIN WAN PAO VIEWS TALYZIN VISIT TO PRC

HK010840 Hong Kong HSIN WAN PAO in Chinese 1 Sep 86 p 1

["News Talk" column: "Viewing Sino-Soviet Relations in Light of Talyzin's Visit to China"]

[Text] China's first diplomatic activity in September will be to receive Talyzin, first vice chairman of the USSR Council of Ministers, who will be coming from Moscow.

The reason this visit attracts attention is that the Soviet Union will be reshuffling its representation in the Sino-Soviet talks. Talyzin will be replacing Arkhipov, first vice chairman of the Council of Ministers, who was the first to have contacts with Chinese officials in recent years; while Foreign Minister Ilyichev, who has had talks on numerous occasions with Chinese Vice Foreign Minister Qian Qichen, will be replaced by the newly promoted Ligachev.

According to reports, Talyzin is a confidant of the Soviet leader Gorbachev. He is also the first official to visit China since Gorbachev made his speech at Vladivostok announcing his desire for improved Sino-Soviet relations. This visit therefore attracts attention.

China has consistently pointed out that three things are obstructing the normalization of Sino-Soviet relations. Gorbachev mentioned two of them in his Vladivostok speech. One is that 6,000 Soviet troops will be withdrawn from Afghanistan by year end; the other is that he is willing to withdraw "a substantial portion of Soviet forces" from Mongolia. The Soviet Union and Mongolia have recently held a meeting, and Mongolia announced its support for the Gorbachev speech. Talyzin should make clear during his visit to China how the troop withdrawal will be implemented.

Gorbachev and Soviet Deputy Foreign Minister Kapitsa have mentioned that they are willing to regard the navigation line of the Heilong Jiang as the border between China and the Soviet Union (in the past the Soviet Union insisted that the Chinese side of the river marked the border). This also requires clarification from the Soviet side.

The Soviet Union should also clarify two other issues: First, since Gorbachev's speech, Vietnam has continued to declare that "the situation in Cambodia is irreversible." Second, the Soviet Union has gained from North Korea port entry rights for the Soviet fleet at Nampo, on the western side of the Korean Peninsula.

Talyzin's visit to China is in return for Vice Premier Yao Yilin's visit to the Soviet Union last year. On the face of it, the two sides will be discussing economic trade cultural, and science and technology exchanges; however, if the aboe-mentioned political issues cannot be approached to some extent, not much change will occur in other aspects even though some progress might be made in them.

Most noteworthy are the remarks of a responsible person of the International Liaison Department of the CPC Central Committee to "LAN YUE TAN" magazine at the end of August. He made a point of excluding the possibility that the Chinese and Soviet parties are about to reestablish ties. He said that before the three big obstacles are eliminated, it is impossible to normalize state relations, and it is even more unrealistic to talk of party-to-party relations.

He also emphatically pointed out that China pursues a peaceful foreign policy of acting independently and keeping the initiative in its own hands and does not form an alliance or a strategic relationship with any great power. Even if relations between the states and parties of China and the Soviet Union are normalized, the situation that existed in the 1950's will not be restored.

Following Talyzin's visit to China, Honecker, chairman of the East German Council of Ministers, will also be visiting China. Among East European countries, East Germany follows the Soviet Union the closest. Last year Honecker intended to visit West Germany, but canceled in the face of Soviet opposition. Hence, his trip to China is being seen as a policy shift in the East European countries, inspired by the Soviet Union.

Although signs of relaxation have appeared in Sino-Soviet relations, it is not possible to see a qualitative change. It remains to be seen how many issues Talyzin's visit to Beijing next week will clarify.

PRC ECONOMIC, TRADE EXHIBITION IN MOSCOW VIEWED

HK010814 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 34, 25 Aug 86 pp 28-29

[Article by Shen Yiming: "'China Has Taken a Huge Step Forward' -- Chinese Economic and Trade Exhibition in the Soviet Union"]

[Excerpts] Special disptach from Moscow -- After visiting the Chinese Economic and trade exhibition in Moscow, one of the young students who came from the Dnepropetrovsk Metallurgy Institute told this reporter excitedly: "We looked at your exhibits with great interest. What we feel most excited about is that China has taken a huge step forward!"

The 17-day economic and trade exhibition was held in the Sokolnikiy Park in Moscow from 25 July. During this period, the exhibition became a hot topic for conversation in this city. Despite the scorching sun in August, people patiently lined up for admission tickets. The exhibition hall was always full of visitors. According to incomplete statistics, admissions to the exhibition totalled about 350,000.

This was China's first independent economic and trade exhibition in the Soviet Union since 1953. Due to reasons known to all, in more than the past 30 years, the Soviet people knew very little about China's developments. During this period, the world has rapidly advanced. Has China also made advances? With this question in mind, many people wanted to find an answer from the exhibition. [passage omitted]

The leaders of both countries attached great importance to this exhibition. After the exhibition opened, Chinese Vice Premier Li Peng sent a congratulatory letter. Arkhipov, first deputy chairman of the USSR Council of Ministers, cut the ribbon for the opening ceremony. The Soviet side regards this exhibition as "an important event in Soviet-Chinese relations."

Some top leaders of the Soviet Union, including chairman of USSR Council of Ministers N. Ryzhkov and first deputy chairmen N. Talyzin and V. Murakhovskiy, as well as Madame Gorbachev, visited the exhibition. Almost everyday, in addition to the continuous stream of officials in charge of economic and trade affairs, responsible persons in the industrial and commercial circles, and scientists and technicians, there were also many vice ministers or higher officials in the central departments and commissions visiting the exhibition. [paragraph continues]

During their visits, they also investigated and studied and sought possibilities for extending cooperation with China in the economic and trade fields. They showed great interest in cooperative production, joint ventures, processing materials supplied by customers, and other forms of cooperation.

Before visiting the exhibition, most visitors had an old concept about China's economy and scientific and technological levels, built on their impressions in the 1950's. They felt more or less surprised when they looked at the exhibits. Some of them asked: "Is all this equipment designed and made by China?" The Chinese working personnel gave the following realistic answer: "Some of them are entirely designed and made by China, but some were made after introducing foreign technology." There was a universal gear measuring instrument at the exhibition that attracted particular attention of the Soviet experts. In addition to the function of measuring single-item errors like other traditional instruments, it can also automatically measure section errors as a whole by means of grading and a special calculator. At present, only China can make this instrument. What surprised Soviet experts is that Soviet professor (Markov) suggested making this instrument as early as in 1957 but the Soviet Union still cannot make it even to this day, and Japan has also tried to make it but failed. Yet the Chinese experts successfully made it in 1978. Professor (Markov) visited the exhibition twice and praised it highly. [passage omitted]

During the exhibition, many visitors also showed great interest in China's economic policy reform. They raised many questions, such as: How do you carry out the contract system in the countryside? How do you make the factories assume sole responsibility for their profits and losses? What kind of people can engage in individual business? Can the peasants sell their products freely? Can the peasants buy farm machinery for themselves?

More people were interested in China's policy of opening up to the outside world. At the exhibition, there was a special corner for the Shenzhen Special Economic Zone. Although it was an area no more than 8 to 9 square meters and there were only some models and pictures of this zone, it attracted many visitors from beginning to end. With great interest they asked: What are the main industries of the special economic zone? What countries have made investments there? How many special economic zones and joint ventures are there in China? How do they share the profits? Are there any enterprises independently run by foreign investors? Where do the joint-venture enterprises sell their products? What are the favorable conditions for investing in the special economic zones? Do the foreigners in the special zones have to abide by Chinese laws? [passage omitted]

On 10 August, the last day of the exhibition, many zealous visitors gave their ardent expectations: "Why do you not extend the exhibition period? We hope you will come again next year! We hope we can visit your exhibitions every year! You should also hold exhibitions in our small cities!" The Soviet people wish to further develop economic and trade contacts between both countries so as to deepen mutual understanding and strengthen friendship.

CHEN XITONG MEETS YELTSIN, DEPARTS USSR 1 SEP

OW012358 Beijing XINHUA in English 2339 GMT 1 Sep 86

[Text] Moscow, September 1 (XINHUA) -- A Beijing goodwill delegation headed by Mayor Chen Xitong left here for home tonight after a 15-day visit to the Soviet Union. Before his departure, Chen had talks with first secretary of the Moscow city party committee Boris Yeltsin and was given a banquet in his honor by Moscow Mayor V. Saikin. During their stay in the country, Chen and his entourage visited Moscow, Leningrad, Kiev and Volgograd.

PRC INTENDS TO INCREASE BORDER TRADE WITH USSR

OW010044 Beijing in Russian to the USSR 1800 GMT 30 Aug 86

[Text] China's northernmost province, Heilongjiang, will expand border trade with the Soviet Union on a barter basis by expanding cooperation with various provinces, cities directly under the central authorities, and autonomous regions of the country, according to a statement by an executive of the Heilongjiang provincial people's government on 28 August.

At a discussion, convened in Harbin on 28 August, between various provinces, cities directly under the central authorities, and autonomous regions, as well as 110 representatives of economic administrations of China's large and medium-sized cities, executives discussed the possibility of expanding border trade with the Soviet Union and East European countries and the forms of inter-regional cooperation needed in this respect.

The meeting's participants, from many provinces and from the cities of Shanghai and Tianjin, expressed a desire to expand trade with the Soviet Union through cooperation with Heilongjiang Province. The forms of inter-regional cooperation will be as follows: Heilongjiang Province will purchase export goods from the above-mentioned regions and act as an entrepot in foreign trade operations.

The industrial enterprises which will be set up in cooperation with other provinces and cities will specialize in the production of export goods.

The Chinese Government has granted border regions certain plenary powers for making decisions in border trade.

Heilongjiang Province resumed border trade with the Soviet Union in 1983. Since that time, trade turnover has been increasing annually. Last year, the province's border trade volume reached 32.5 million Swiss francs. In the first 6 months of this year, the province signed trade contracts with the Soviet Union totaling 24,870,000 Swiss francs.

XINJIANG, USSR CENTRAL REPUBLICS TO RESUME TRADE

OW292222 Beijing XINHUA Domestic Service in Chinese 1331 GMT 29 Aug 86

[Text] Moscow, 29 Aug (XINHUA) -- China's Xinjiang Uygur Autonomous Regional Trading Company and the USSR's All-Union Eastern Foreign Trade Company recently held trade talks and signed border trade contracts in Alma Ata, capital of the Soviet Kazakh republic.

After an interruption of many years, Sino-Soviet border trade was first restored between China's Heilongjiang Province and Nei Monggol Autonomous Region and the USSR's Far East region in 1983. Now, the border trade will also be restored between China's Xinjiang and the USSR's Central Asian region. The Soviet Kazakh, Uzbek, Kirghiz, Turkmen, and Tajik Republics and some regions in the Russian Republic will exchange goods with Xinjiang.

While the aforesaid trade talks were in progress, an exhibition of sample export commodities from both sides was held in Alma Ata.

PRC ACCEPTS DPRK ABSENCE FROM ASIAN GAMES

OW010819 Tokyo KYODO in English 0813 GMT 1 Sep 86

[Text] Beijing, Sept 1 KYODO -- China Monday accepted without criticism North Korea's refusal to participate in the Seoul Asian Games scheduled for September 20-October 5.

Commenting on Pyongyang's official announcement not to participate in the Asiad, China showed its understanding of North Korea's stance, Western diplomatic sources here said.

Due to North Korea's criticism of this year's Asiad, the biggest concern for China at this point centers on how North Korea will react to China sending its 520-member athletic delegation to Seoul by its state-run airline, Civil Aviation Administration of China (CAAC). At present China and South Korea have no diplomatic ties.

While Pyongyang on the surface remains nonchalant about China's direct flights, North Korea is said to be displeased with Chinese and South Korea's improved relations.

DPRK DISSATISFIED WITH NORTH-SOUTH DIALOGUE

OW3019093 Beijing XINHUA in English 1747 GMT 30 Aug 86

[Text] Pyongyang, August 30 (XINHUA) -- The Democratic People's Republic of Korea is dissatisfied with the North-South dialogue meant for improving relations between the North and the South of Korea, though it says that some progress has been made. The future of the stalled talks depends totally on the South, said a memorandum issued by the Committee for the Peaceful Reunification of the Fatherland Friday and published in a Pyongyang newspapear today.

The North-South talks that took place between November 1984 and December 1985 include two preparatory meetings for parliament talks, five economic talks and three Red Cross talks. But no talks have been held since then. Although some preliminary progress was made, the memorandum said, no progress has been made on essential issues of bettering relations between the two sides.

The memorandum blamed the South responsible for the suspension of the talks as the South has held a series of military exercises, particularly the "Team Spirit-86" exercise johintly held with massive U.S. troops from February to April this yeasr. The memorandum urged the South to stop military exercises and change its policy of supression of student movements in South Korea, thus creating an atmosphere needed for the reopening of the talks.

SINO-JAPANESE ECONOMIC EXCHANGE MEETING CONCLUDES

HK010227 Urumqi Xinjiang Regional Service in Mandarin 1200 GMT 31 Aug 86

[Text] The sixth annual Sino-Japanese economic information exchange meeting concluded in the Urumqui Guesthouse today. Ma Hong, a representative of the Chinese side, delivered a summation. Japanese representative Masao Kosaka spoke at the closing ceremony. They pointed out that the meeting has been a great success and yielded rich fruits thanks to the common efforts of both sides.

During the meeting, the representatives of the two sides exchanged information and views on a broad range of topics including the international economic situation and Sino-Japanese economic relations. This was extremely useful for deepening understanding of the world situation, promoting the mutual understanding of the two sides, stimulating Sino-Japanese economic cooperation and academic exchanges, and consolidating and developing friendly ties between China and Japan.

The participants also spent 1 and 1/2 days discussing Xinjiang's economic development. The experts and scholars put forward many useful suggestions. The participants visited Yili, Turpan, and Urumqi. The grandeur and beauty of the old Silk Road and its prosperity today made a profound impression on the representatives.

The meeting also announced that the next such meeting will be held next April in [words indistinct] Japan. The representatives will leave Urumqi for Beijing by plane on 1 September.

JAPANESE AMBASSADOR ATTENDS PLANT OPENING

SK020201 Changchun Jilin Provincial Service in Mandarin 0930 GMT 1 Sep 86

[Text] At the invitation of Gao Dezhan, governor of Jilin Province, Yosuke Nakae, Japanese ambassador to the PRC, and his wife and entourage arrived in Changchun City by plane at noon on 1 September to attend the ground-breaking ceremony for the (?waterworks) project, a joint-project carried out under the Sino-Japanese people's friendship.

Warmly greeting them at the airport were Wang Jiatong, mayor of Changchun City, and responsible persons from the provincial and city departments concerned.

Among those who accompanied the ambassador to Changchun City were Japanese guests, including (Chihiro Natsuki), former member of the House of Councillors of Japan and director of the board of the Japan-China Friendship Association; his wife; (Nariso Nakashima), chairman of the Japanese [words indistinct] society; and Chu Chuanheng, vice minister of urban and rural construction and environmental protection.

That evening, Governor Gao Dezhan received and feted the Japanese guests, including the ambassador and his wife, and domestic guests at the Nanhu Guesthouse. Wang Jiatong, mayor of Changchun City, and other leading personnel of the city received and feted the entourage of the ambassador.

VICE PREMIER YAO YILIN MEETS JAPANESE JOURNALISTS

OW291330 Beijing XINHUA in English 1154 GMT 29 Aug 86

[Text] Beijing, August 29 (XINHUA) -- Chinese Vice-Premier Yao Yilin met with a Japanese journalists delegation led by Sadaaki Isoda, deputy director of the Political Department of the Japanese JIJI NEWS AGENCY, here today. At the meeting, Yao answered questions about China's modernization program, economic and political system reform, development of coastal cities. The delegations, with its members from 15 press organizations, arrived in Beijing August 16.

LI XIANNIAN GREETS VIETNAMESE NATIONAL DAY

OW011427 Beijing in Vietnamese to Vietnam 1400 GMT 1 Sep 86

[Text] On 1 September, PRC President Li Xiannian addressed a message of greetings to SRV Council of State Chairman Truong Chinh on the occasion of the 41st anniversary of the SRV's national day. Following is the full text of the message:

Respectfully to His Excellency Truong Chinh, chairman of the SRV Council of State: On the occasion of the 41st anniversary of the SRV's national day, on behalf of the Chinese people, I convey warm greetings to the Vietnamese people.

The peoples of China and Vietnam have entertained a long-standing traditional friendship. The Chinese Government and people deeply treasure this friendship and wish to restore and develop the existing relations of cooperation and friendship through the efforts of the peoples of the two countries.

Beijing, 1 September 1986.

[Signed] Li Xiannian, president of the PRC.

SRV Envoy Hosts Reception

OW011536 Beijing XINHUA in English 1336 GMT 1 Sep 86

[Text] Beijing, September 1 (XINHUA) -- Vietnamese Ambassador the China Nguyen Trong Vinh gave a reception at the embassy here this afternoon to mark the 41st anniversary of the founding of the Socialist Republic of Vietnam. Among those present were Liu Shuqing, vice-minister of foreign affairs, and leading members of other departments concerned.

YANG SHANGKUN, HOANG VAN HOAN ON PRC-SRV TIES

OW020950 Beijing XINHUA in English 0939 GMT 2 Sep 86

[Text] Beijing, September 2 (XINHUA) -- Yang Shangkun, member of the Political Bureau of the Chinese Communist Party Central Committee, met and feted Hoang Van Hoan, veteran Vietnamese revolutionary, here today.

During the meeting, Yang spoke highly of Hoang's efforts made in the past years for the resumption of friendly relations between the Chinese and Vietnamese people.

The responsibility for the existing Sino-Vietnamese relations does not rest with China, Yang said, adding that if Vietnam withdraws all its troops from Kampuchea, all other problems will be easy to talk about.

Hoang said history has proved that bad relations with China will do Vietnam no good. "The present Vietnamese leaders should draw lessons from the past mistakes and change its erroneous policies toward China and Kampuchea so as to return to the correct road charted by late Vietnamese President Ho Chi Minh," he noted.

Hoang told Yang that the Vietnamese edition of his memoirs had come off press and its Chinese edition would be published by the end of the year. Yang said he hoped to see the Chinese edition at an earlier date.

Zhu Liang, head of the International Liaison Department of the CPC Central Committee, was present on the occasion.

CPC GROUP ATTENDS NEW ZEALAND LABOR PARTY MEETING

OW291340 Beijing XINHUA in English 1215 GMT 29 Aug 86

[Text] Wellington, August 29 (XINHUA) -- Hao Jianxiu, leader of visiting Chinese Communist Party (CPC) delegation, today conveyed her heartfelt congratulations to the Labour Party and people of New Zealand on behalf of the Chinese Communist Party and people.

Speaking at the opening ceremony of the 70th anniversary conference of the Labour Party held here this morning, Hao Jianxiu, who is also member of the Secretariat of the CPC Central Committee, said her visit to New Zealand is to promote mutual understanding and to strengthen friendship between the two parties and peoples. She wished the conference success.

Over 1,000 delegates and observers attended the conference scheduled to end on September 1. Domestic and foreign policies of the party are reportedly the main topics on the agenda during the four-day conference. The ruling Labour Party is one of the biggest parties in the country.

Lange Fetes CPC Delegation

OW301230 Beijing XINHUA in English 1015 GMT 30 Aug 86

[Text] Wellington, August 30 (XINHUA) -- David Lange, New Zealand prime minister and leader of the ruling Labour Party, gave a luncheon here today in honor of the visiting delegation of the Communist Party of China (CPC) headed by Hao Jianxiu, member of the Secretariat of the CPC Central Committee.

At the luncheon, David Lange and Hao Jianxiu had a cordial conversation on the growing friendly relations between the two countries and peoples.

The CPC delegation arrived here on August 28 at the invitation of the Labour Party for a two-week visit. This is the first ever visit by a CPC delegation to New Zealand.

THAI OFFICIAL VIEWS ECONOMIC COOPERATION WITH PRC

OW301857 Beijing XINHUA in English 1847 GMT 30 Aug 86

[Text] Manila, August 30 (XINHUA) -- The Sino-Thai relationship is remarkable and the trade between the two countries is not purely commercial, but also based on friendship, a Thai minster told XINHUA here today.

Chirayu Isarangkun na Ayutthaya, minister attached to the Thai prime minister's office, was here to attend the three-day meeting of the Association of Southeast Asian Nations (ASEAN) economic ministers, which concluded today.

Ayutthaya described the Sino-Thai trade relations as "friendship deals." "When Thailand is in difficulties with certain problems, for example, we have sugar problems, the Chinese Government would buy some sugar at fair prices to help us. When we have the problem about rice sale, the Chinese Government would help to buy," he said.

"We have some new problems, one of the problems is the double tasation." he said, adding "we (Thailand and China) are drafting an agreement on the avoidance of the double taxation which we expect to be reached soon."

He said bilaterial trade value increased to 500 milion U.S. dollars last year from the 330 million figure in 1983.

On the idea of ASEAN economic community, he said, "Our objective is to increase employment and trade and the investment outside and inside ASEAN."

When asked if ASEAN currency can be used to promote regional trade, he said, "We allowed the private banks and private traders to use the currency of each country within ASSAN. This is the proposal we received. The Philippines has already taken that step and we welcome them."

THAI MILITARY DELEGATION VISITS PLA DIVISION

OW300149 Nanjing Jiangsu Provincial Service in Mandarin 2200 GMT 27 Aug 86

[Text] A Thai military delegation headed by General (Akkaphon) visited an Army division of the Chinese PLA yesterday morning in the company of Liu Lunxian, chief of staff of the Nanjing Military Region.

With keen interest the Thai guests watched individual tactical training and a military exercise. General (Akkaphon) hailed the scouting forces' proficient performance and the combatants' outstanding scores in their live firing practice. The Thai guests also watched an offensive exercise conducted by squads with live ammunition.

After the visit, General (Akkaphon) told the leading officers of the division: Your division has glorious traditions. Your officers and men have good military proficiency. The troops have demonstrated their strong combat-worthiness. We are greatly impressed by what we have seen in your division. I wish you greater successes in military modernization.

General (Akkaphon) and his party also visited the Nanjing Artillery College yesterday.

INTELLIGENCE OFFICIAL'S DEFECTION 'MAJOR BLOW'

HK020842 Hong Kong AFP in English 0829 GMT 2 Sep 86

[Text] Beijing, Sept 2 (AFP) — A senior Chinese intelligence official defected to a Western country in January, dealing a major blow to China's overseas espionage network, highly reliable sources here said Tuesday.

The sources, who spoke on the condition that they not be identified, said the official they named as Yu San [name as received] had been promoted director of foreign affairs for the State Security Ministry shortly before he defected.

He was the highest ranking intelligence officer known to have gone to the West since the communists came to power in China in 1949, they said. Mr Yu was believed to know the identities of operatives engaged in Chinese espionage operations overseas, the sources said.

The State Security Ministry, which deals solely with espionage and counter-espionage, was a part of the Public Security Ministry until it was made a separate government agency in June 1983. No officials of the highly secretive office, which has neither a spokesman nor a publicly available telephone number, could be reached for comment. A Chinese Foreign Ministry spokesman Tuesday accepted a question about the incident without comment.

It was not known which Western country had given Mr Yu sanctuary, but sources said Chinese officials believed him to be releasing information slowly to ensure that his hosts would not return him here under pressure from Beijing.

Western analysts here said Mr Yu's job as foreign affairs director at the ministry would have made him privy to details of China's cooperation with foreign intelligence agencies, as well as to the identities of a potentially large knumber of overseas contacts cooperating with China.

One source said Mr Yu, in his late 30's, had been intimately involved with a non-Chinese woman believed to have helped engineer his defection during a visit to Hong Kong. According to another account that could not be independently confirmed, Mr Yu was believed to be now in Tiawan.

It was not immediately known whether there was any connection between Mr Yu's case and that of Larry Wu-tai Chin, 63, a Chinese-born U.S. citizen arrested last November and convicted of having been a Chinese spy for 30 years. Mr Chin, an employee of the U.S. Central Intelligence Agency, said at his trial that a Chinese contact had defected and tipped off Washington about his activities. U.S. officials refused to comment on his allegations.

Sentenced to life imprisonment and fined 2.5 million dollars, he committed suicide in a U.S. jail in February by suffocating himself with a plastic bag.

Sources said Mr Chin had initially hoped that China would arrange for his release, possibly through some kind of exchange, and that he had killed himself in despair when Beijing denied any links with him.

Some sources suggested that the two cases could be linked, but they failed to explain the discrepancy in the dates of Mr Chin's arrest and Mr Yu's defection. Mr Yu's family background suggests he could have been disillusined with the twists and turns of Chinese communist rule and helps explain his decision to defect at a time when Chinese government policies enjoy wide support in the West, analysts said.

His father, Yu Qiwei, an early communist intellectual, was the common-law husband of Jiang Qing in the early 1930's before she married Mao Zedong. He was the only man known to have abandoned Mao's future wife -- she left other lovers on her own initiative. Yu Qiwei and his second wife, Yu San's mother, Fan Jin, were persecuted by Jiang Qing with increasing severity after 1949.

Appointed the first communist mayor of the key northern industrial port of Tianjin. Yu Qiwei was shifted to posts of decreasing importance until he died of a heart attack in 1958. His widow, who had also been a leading revolutionary, came under further persecution by Jiang Qing, including a public "trial" at the start of the Cultural Revolution in 1966, and was eventually driven to a nervous breakdown.

Fan Jin, who was a former editor-in-chief of the influential BEIJING DAILY and a deputy mayor of the Chinese capital, was officially rehabilitated in the late 1970's. She was made chairman of the Beijing People's Political Consultative Conference, a municipal body which has no real decision-making power. Officials at the conference's offices said that she had been publicly confirmed in the post in September 1985 but had recently "retired" and that they did not know where she could be reached. Analysts said a woman with Fan Jin's political credentials would normally have retained her post until the conference's next assembly, even if health reasons prevented her from carrying out her functions.

Some sources said Mr Yu's defection caused a shake-up within the State Security Ministry and was a catalyst for a speech by Top Chinese leader Deng Xiaoping early this year criticising the offspring of highly-placed cadres for failing to live up to their revolutionary heritage.

Many of the children of formerly persecuted revolutionaries were rapidly promoted after Mr Deng came back to power in 1978 and, given his family background, Mr Yu was a natural for inclusion in this elite group, the sources said.

KYODO Reports Defection

OW021001 Tokyo KYODO in English 0957 GMT 2 Sep 86

[Text] Beijing, Sept. 2 KYODO -- A senior Chinese official involved in intelligence and counterespionage has fled from China after allegedly leaking information to a Western agent, according to reliable Chinese sources.

Yu Zhensan, head of the Foreign Affairs Bureau of China's State Security Ministry, disappeared in January after escaping from China via Hong Kong, the sources told KYODO NEWS SERVICE here.

They said Yu began last year to leak the information on the ministry's secret intelligence activities to a Western female agent in China who approached him.

Yu, in his early 40s and in a position to obtain information on the ministry and the Chinese Communist Party's investigation department, may possess top secret information about China's foreign intelligence services, according to the sources, who said there is concern about a loss to China's intelligence service if such information is divulged.

The ministry is reportedly searching for Yu, who one of the sources said is now possibly in Taiwan, since Yu's father is an uncle of Yu Ta-Wei, former head of Taiwan's National Security Ministry and an adviser to the Tawain Government.

No information on Yu's wherabouts has been disclosed by any foreign nations, but the Chinese sources said it is possible that the information has been kept secret in consideration of the effect on future relations with China it might have for the nation concerned, because of Yu's high position in China's intelligence service.

The sources said details of the incident, which they said is the first of its kind for China's intelligence service, have been already given to leaders of the Communist Party and the government, and that a personnel reshuffle stemming from Yu's disappearance is possible in the ministry.

WANG ZHAOGUO ON POLITICAL STRUCTURAL REFORM

HK010452 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1352 GMT 31 Aug 86

[Text] Beijing, 31 Aug (ZHONGGUO XINWEN SHE) -- Wang Zhaoguo, member of the Secretariat of the CPC Central Committee, has proposed that the goal of China's political structural reform is to build an efficient socialist political system with a high degree of democracy and a complete legal system. Issue No 17 of "HONGQI," to be published tomorrow, carries the full text of Wang Zhaoguo's speech at the graduation ceremony of the Central Party School on 16 July. Wang Zhaoguo says that in light of the current actual situation in political life on the mainland, a start can first be made on political structural reform in the following aspects: Streamlining the organs and improving work efficiency; reforming the cadre system; putting the socialist legal system on a sound basis; developing socialist democracy, and instituting a division of work between party and government.

He puts forward the following specific views on reform:

-- Establish a system in which cadres can move both upward and downward, and truly create an environment that will benefit the contest of talent and help topnotch talent to show itself.

-- It is necessary to implement the mass line in examining and promoting cadres, step up democratic supervision, and gradually make this work democratic, scientific, and systematic.

-- Perfect the election and appointment system and institute a system of appointment by examination and a system of hiring people for appointments. We should institute a system of periodic exchanges of leading cadres. We should institute an avoidance system [hui bi zhi du 0932 6699 0455 1653] for leading cadres.

-- Bring into further play the role of the people's congresses at all levels in national political life, and also the role of the CPPCC at all levels, the democratic parties, and the mass organizations. Adopt a variety of forms and channels to enable the masses to actively take part in managing state and social affairs and to effectively supervise the party and government work personnel at all levels.

-- Bring into further play and develop democracy within the CPC, and do well in implementing the system of combining collective leadership with an individual division of responsibility.

Wang Zhaoguo stressed that the question of how to further promote political structural reform is extremely important. It is necessary to conduct more investigation and study and to do sound work. Attention must be paid to avoiding stirring up a wind.

NEW BREAKTHROUGH IN POLITICAL REFORM ANTICIPATED

HK300500 Hong Kong TA KUNG PAO in Chinese 30 Aug 86 p 3

["Special Interview" by Reporter Chen Yung-ping: "There Will Be New Breakthroughs in Political Structural Reform -- interview with Qian Jiaju, who is staying briefly in Hong Kong"]

[Text] The Plenary Session of the CPC Central Committee Next Month Will Be Very Notable

Qian Jiaju, a well-known Chinese economist, is now staying briefly in Hong Kong for personal reasons. Yesterday (the 29th), this reporter went to the hotel where he stayed to have an interview with him and asked him to give his views on the issues concerning China's political and economic reform.

We started with China's political structural reform. Qian Jiaju said that all the people at home and abroad who are concerned about China's future are paying close attention to the CPC Central Committee's current trend of political structural reform. According to what he has learned, the 6th Plenary Session of the 12th CPC Central Committee which will soon be held in September, will make some breakthroughs in the sphere of the political reform. We can see this from the speech entitled "Making Decisions With a Democratic and Scientific Approach Is an Important Aspect in Restructuring the Political System" that Wan Li, vice premier of the State Council, gave at the national get-together on the work of research into soft sciences on 31 July.

Qian Jiaju said that now there is a rising demand for political structural reform on the mainland, which is growing increasingly louder as the economic reform that China is carrying out deepens. He said that for a fairly long time in the past, China closed its doors, but now it wants to gradually open its doors and to gradually switch from a closed society with an economy mainly of the resources economy type into an open society with an economy mainly of the commodity economy type. Therefore, there have to be very great changes in all spheres and difficulties and problems such as unhealthy party style and such as the problems related to the general mood of our society are unavoidable. In order to solve the problems that have cropped up now and in order to enable our country to carry out its various socialist work smoothly, it is ncessary to perfect the organization and operation of our departments leadership at all levels and establish a series of systems of democratic supervision.

Having Some NPC Deputies To Work Full-time as NPC Deputies

Concerning the distribution of political power among various departments in China at present, Qian Jiaju said that the current situation was not normal nor perfect. For example, the NPC ought to be the organ of supreme power in Chinese government, but this is not the case now. At present, all the NPC deputies are selected from among the model and advanced workers in various areas and the advanced people in all trades. They are NPC deputies and at the same time they also have their own jobs. They attend a national session every year and then are scattered in various areas after the session closes. Therefore, it is difficult for them to really play any role. For example, when the state's financial budget is discussed, most of the members of the NPC financial group do not understand the overall situation; therefore, they naturally approve the draft budget published by the minister of finance. Even if they have any doubt, there is no way for them to make an investigation. Therefore, some people call the NPC a "rubber stamp."

To solve this problem, Qian Jiaju strongly supported the view that some of the NPC deputies had to work full-time as NPC deputies to be in charge of various work to enable the NPC to really play its decision-making and supervisory role.

At the same time, Qian Jiaju criticized the current ways the CPPCC operates. He said that at present, the CPPC holds one session every year, in which it discusses the government work report for only 3 to 4 days and each member can only be given one or two opportunities to speak in turn. Even less likely is the possibility that what they speak will be reflected in the news bulletin of the session. The state leaders can know little of the true situation even if they read the bulletin. Therefore, it is also hard for the CPPCC to play any supervisory role.

A Leader Should Be Impeached for His Mistakes

Qian Jiaju held that it is imperative to have a perfect political system in order to satisfactorily carry out our country's economic construction. He said that there were still various kinds of prevailing bad practices in our current economic work such as reporting only the good but not the bad news, exaggeration and telling lies, and having one leading cadre alone make a decision on the starting of some major projects. For example, it was a wrong policy decision to decide that a large iron and steel complex, the Baoshan Iron and Steel Complex, was to built at Baoshan, Shanghai, but the decisionmaker has not been punished in spite of the fact that he committed that mistake. If this had taken place in another country, the official concerned would have been impeached by the legislature or by the supervisory organs and political and even criminal responsibility would have been affixed on the official, but this is not the case in our country. In another example, the reason for the excessive scale of our capital construction, which is difficult to control, is because a project is started as soon as one of the leaders gives approval. There must be changes in these matters in the future. The NPC and the people's congresses at all levels must have the power to impeach officials, who should be held for wrong decisions.

The Establishment of a System of Democratic Supervision

Qian Jiaju pointed out that our country would not change its policy of opening up to the outside world and in addition, it would open increasingly wider to the outside world and increasingly greatly enliven the economy at home. For China has no other way out.

The problem is that in order to achieve success, we need not only economic reform but also political reform. The most important aspect of political reform is to respect science and democracy, to make our decision-making scientific and democratic, and to establish a series of systems of democratic supervision. This is also what Vice Premier Wan Li's speech holds.

As for the political structural reform, Qian Jiaju firmly believed that it would succeed. He said that the "political reform" would surely succeed, but its path would not be a straight one and there would always be some twists and turns. He said that in the past, a leader would brand some people with labels and wield the big stick as soon as they held opinions different from him, but now there had already been a very great change. No label is branded on those who hold different opinions, but these opinions are not published in our newspapers or publicized. This is progress. Of course, it still falls far short of what we wish.

POLITICAL DISCUSSIONS URGED UNDER 'NEW CONCEPT'

HK300251 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 30 Aug 86 p 2

[Commentator's article: "Political Issues May Be Discussed"]

[Text] "Draw a clear line of distinction between political and academic question" -- this was an expression in vogue for a long time. It seemed that there was a big notice stuck on the big gateway of political questions: "Please close the gate." As a result, many people were terrified at the sight of this, hesitated with lowered heads, and took a detour. Comrade Wan Li's speech at the national forum on research on soft science tore down this "notice." This is without doubt of very great importance for putting socialist democracy on a sound basis and developing it.

Practical experience has proven that political issues are apparently always entwined with academic questions. Many experts and scholars of philosophy and social science originally concentrated on academic issues without entertaining any extravagant hopes of touching on political issues, for the moment they were deliberately misrepresented as exposing so-called political issues in academic issues, they were dragged into the vortex of political struggles and suffered greatly as a result, even drowning there. Can a clear line of distinction be drawn between political and academic questions today, when we have ceased to regard "the class struggle as the key link"? It is still extremely difficult to do so. This is because when studying many historical or current social phenomena, it is very difficult to completely separate academic from political issues -- some academic issues involve political questions, some include political questions, and others are themselves very practical political questions.

Since this is so, why should an apparently unattainable demand be advanced? It is based on this premise: Study, discussion, and contending and blooming are allowed in academic issues, but not in political ones; if anyone dares to engage in study, discussion, and contending and blooming in political issues, it seems that he is committing the most serious crime and is thus politically "questionable."

The absurdity of this premise is quite evident. In the old society, when the people lacked all power, there was nothing strange about a "prohbition on discussing state affairs."

But in new socialist China, when the people have become the masters of the country, what reason can there be for forbidding them to enage in study, discussion, and contending and blooming over those political issues that are bound up with their vital interests? All power belongs to the people; the people manage the affairs of state in accordance with the provisions of the law through a variety of ways and forms; the citizens have freedom of speech and publication. These are all solemn provisions of the Constitution. To stick to one's own view, and engage in discussion and contending and blooming on political issues is precisely the sacred power conferred on the citizens by the Constitution -- a power that they cannot be deprived of.

Of course, political issues cover a very broad scope, and questions regarding policy matters require decisions. Discussions can be held before they are resolved, but after the leading departments concerned have made their decisions, these should be implemented; If there are still differing views, they can only be put forward within certain limits and through certain channels. This is understandable.

There was originally nothing abstruse and difficult to understand about this reasoning. When "leftist" guiding ideas held the dominant position, and especially during the "great Cultural Revolution," when the principles of socialist democracy were wrecKed and trampled on, there appeared a very strange phenomenon: anyone who put forward views on political issues or undertook any study or discussion on such issues was politically questionable and had to undergo screening, and was even struck to the ground. The 3d Plenary Session of the 11th CPC Central Committee opened up a new era in building socialist democracy, and politics regained its original meaning -- from being the affair of a few politicians it turned into the affair of millions of people. However, the influence of the prohibition on discussing political issues cannot yet be said to have completely disappeared. A few comrades still scrupulously abide by the set of ideological patterns of the past and are in the habit of seizing on a phrase or two in people's speeches or articles to describe academic issues as political issues and, moreover, to describe people as "opposing the four basic principles." If anyone dares to publish a view on a current political issue that varies slightly from the mass view, he will be regarded as committing the most serious crime. How can lingering fears be completely dissipated, how can the mind be completely emancipated, and how can a vivid and lively political situation be completely created unless these concepts are changed and these habits broken?

It is essential to uphold the four basic principles, to abide by party discipline and state law, and to preserve the political situation of stability and unity. There is not the slightest doubt about that. Far from being in contradiction with these things, allowing the mass of the people to discuss politics is in fact the demand of observing these principles. To attain a high degree of democracy is the goal of our socialist political construction. In light of the demands of this goal, it is far from enough just to allow the masses to discuss politics; we must also actively encourage them to make their views on political issues known and provide opportunities and create conditions for them to do so. This is a new concept that we must establish in building a high degree of socialist democracy.

DEMOCRATIC PARTIES TO HELP MINORITIES, POOR

OW291400 Beijing XINHUA in English 1337 GMT 29 Aug 86

[Text] Urumqi, August 29 (XINHUA) -- One of China's non-communist parties and its brother organization are trying to close the gap between China's poorer western areas, mainiky the home of minorities, and the more prosperous eastern ones.

This was learned today from the China Democratic National Construction Association and the Federation of Industry and Commerce Conference on Support for Minority Areas, which ended here today.

The eiight-day conference explored new ways to promote support for minority people. Future support, it concluded, should lay stress on the poorest areas, and in addition to township enterprise development and training, the association and federation should perform other duties. They should conduct investigative research, and provide consultations and planning. Also, the experts should make predictions for social and economic development policies.

In particular, the experts decided, they must strengthen economic and technical cooperation between the developed eastern and the less developed western areas, areas, and help the latter introduce technology, equipment and capital.

Since 1981, the association and federation, both composed of former industrialists and businessmen, have provided more than 2,000 free consultations to minority areas in 18 provinces and autonomous regions. They have also trained more than 40,000 technicians to help develop township enterprises and improve management and administration.

NUMBER OF TECHNICIAL OFFICERS IN PLA INCREASING

OW020117 Beijing XINHUA Domestic Service in Chinese 0553 GMT 31 Aug 86 [By reporter Xu Jingyue]

[Text] Beijing, 31 Aug (XINHUA) -- In the minds of many people, military officers are those who command combat operations. As a matter of fact, this is a one-sided view. Today, when the PLA is advancing increasingly toward modernization, the number of officers engaged in specialized technical work has increased to the extent that they account for more than one-third of the military cadres. Indeed, there is much room for scientists and engineers to display their talents in the armed forces.

With the application of new achievements in science and technology to the military sphere, there has been a remarkable change in the composition of the military cadre ranks. The proportion of technical officers doing specialized work has increased. The tasks of the technical officers include work to ensure the fulfillment of technological requirements in combat operations and training; development, improvement, and maintenance of weapons and equipment; cultivation and training of cadres,; and medical care and disease prevention work for officers and men. Altogether, there are more than 2000 specialized tasks and several thousands of technical assignments in the PLA. Especially in units of new categories, such as guided missile units, the proportion of technical officers doing specialized work is even higher.

Analyzing this situation, a responsible person of the department concerned said: Due to the impact of the technological revolution, the higher the degreee of modernization of the armed forces, the greater the proportion of technical officers working in specialized fields and, accordingly, the lower the proportion of commanding officers directly involved in combat operations. This is the general trend of the times. In the early period after the People's Republic was founded, technical officers in specialized fields accounted for a very small portion of our military officers.

In 1977, however, the proportion climbed to 27.8 percent. Through nearly a decade's development -- especially since the start of the Army structural reform and reduction-in-strength reorganization -- the total number of military cadres has been reduced, while the proportion of technical cadres doing specialized work has further increased. Of the technical officers in various specialized fields, the ratio among senior, middle-level, and primary technical cadres is also changing. The trend is that the proportion of high-level technical cadres in various specalized fields is rising.

It is learned that in the Soviet Union over 50 percent of the officers are engineers or technicians. it its strategic rocket units, the proportion of engineering and technical officers is as high as 80 percent.

PLA PAYS ATTENTION TO TRAINING SENIOR PERSONNEL

OW302046 Beijing XINHUA Domestic Service in Chinese 0208 GMT 25 Aug 86

[By reporter Xu Jingyue]

[Excerpts] Beijing, 25 Aug (XINHUA) -- The PLA has attached importance to training senior personnel. Now, a comprehensive and reasonable-scale postgraduate educational system with a rather large number of faculty members and relatively improved management is gradually taking shape. Of the numerous courses taught under this system, military science has, for the first time, become one of the established disciplines in our country.

Postgraduate education in our army was reinstated in 1978. It made relatively great progress during the Sixth 5-Year Plan. In 1978, postgraduates studying for master's degrees began to appear, and the enrollment for that year totaled 111. In 1986 the enrollment of new students increased more than 11 times. Postgraduate students studying for doctoral degrees began to be enrolled in 1981. This year the enrollment of such new students also increased more than 11 times. At present, there are close to 2,000 postgraduate students in the various military academies of the whole Army, and since 1978, more than 1,200 postgraduate sutdents have finished their studies and become backbone elements of the PLA's educational, scientific research, engineering, technical, and command departments. Recently, with the approval of the National Academic Degrees Committee of the State Council, the number of units that can award the doctoral degree has increased from 7 to 13 in the PLA, and the units authorized to teach doctoral-level courses from 30 to 67. As for the master's degree, the number of units that can award this degree has increased from 14 to 32, while the units authorized to teach courses for this degree from 135 to 247.

To meet the needs of modernizing national defense, basically all necessary courses are available for training postgraduate students in the PLA. They include not only engineering, technological, and medical courses, which are needed for both PLA work and local construction purposes, but also the military science, a course designed exclusively for the PLA. Particularly noteworthy is that military science has recently been listed as the one of the established disciplines in our country. For the first time in our country's history of education, it has become the 11th discipline, ranking with philosophy, economics, jurisprudence, literature, and so forth. [passage omitted]

Sources have said that in PLA postgraduate education during the Seventh 5-Year Plan, priority will be given to the development of urgently needed military engineering subjects, active efforts will be made to start new military technological courses, and emphasis will be put on disciplines exclusively for military purposes.

NATIONAL DEFENSE UNIVERSITY OPENS IN BEIJING

OW011322 Beijing XINHUA in English 0941 GMT 1 Sep 86

[Text] Beijing, September 1 (XINHUA) -- China's National Defense University officially opened today in a western suburb of Beijing. Some 400 students are studying at the university's three departments -- the department of defense research, the department for advanced studies and the department of basic military science.

Three fourths of the students are senior army officers, including some military command area deputy commanders. A military command area usually includes several Army corps and Air Force divisions. "This is the first time civilian officials have been admitted to schools run by the Army," a school official said, commenting on the fact that one fourth of the students are high-ranking Communist Party and government officials. Students at the Department of Defense Research Institute are required to study international strategy, security in the Asian and Pacific region and military philosophy. Also, some students will be sent abroad to study, said the official.

Altogether 100 subjects are taught, with 30 being elective. "To graduate, each student will write an essay suitable for reference by leading Army departments concerned," he said. The university also undertakes research projects assigned by the Central Military Commission and the general departments of the Chinese People's Liberation Army. It has so far received 200 foreign military leaders and military scientists since it began a limited curriculum on December 24, 1985.

Generals Zhang Zhen, president of the university, and Li Desheng, political commissar, said the curriculum will adapt to changes in the military situation and advances in military strategies, tactics and technology.

PLA TRANSPORT FACILITIES NOW OPEN TO CIVILIANS

OW010457 Beijing XINHUA Domestic Service in Chinese 0800 GMT 30 Aug 86

[By reporter Wu Kelu]

[Excerpts] Beijing, 30 Aug (XINHUA) -- It has been reported that most of the military transport facilities in our country have now been made available for civilian use. This has already directly benefitted the state economically in the amount of approximately 100 million yuan.

Recently, this reporter learned from responsible persons of the State Council and the Office of Military Transport Facilities Leading Group of the Central Military Commission that more than 300 military railway lines and many other military transportation and telecommunications facilities, including ports, pontoons, special trains and radio stations, and telecommunication networks, have been opened for civilian use. [passage omitted]

A port in the Chang Jiang was previously reserved for use in case of war. It was closed all year round. Now the port has been opened for civilian use. Last year the profit resulting from the operation of this port totaled 180,000 yuan.

The Shanghai Posts and Telecommunications Administration has used military telecommunications equipment to solve the shortage of equipment for civilian telephones. This has not only alleviated the people's difficulty in using telephones, but also added nearly 3 million yuan to the administration's yearly revenues.

Many military facilities have played a significant role in dealing with emergency cases and doing rescue work following the occurrence of natural disasters. In doing rush repairs on the Baoji-Chengdu Railway in 1985, the Second Engineering Bureau of the Ministry of Railways was able to complete the repair of a key railway bridge ahead of schedule by using military equipment, supplies, and manpower. Many transport and telecommunications equipment and materials previously reserved for use in case of war have now been rented or sold to civilian units. This arrangement not only meets the civilian units' urgent needs in production, but is also conducive to the upgrading of military facilities and the procurement of better military supplies, thereby enhancing reserves' capabilities.

In addition, many scientific research results concerning military transportation are available for civilian use. This gives an opportunity to practically test and further improve the research results and, at the same time, provides great advantages for local construction work. [passage omitted]

YU QIULI PRAISES PLA DIVISION TRAINING PRACTICES

OW300549 Beijing XINHUA Domestic Service in Chinese 0041 GMT 27 Aug 86

[By correspondent Zhang Junxiong and reporter Li Donggeng]

[Excerpts] Nanjing, 27 Aug (XINHUA) -- The party committee of a group army [ji tuan jun 7162 0957 6511] under the Nanjing Military Region assumes an attitude of seeking truth from facts in treating the Army cadres who actively undertake reforms and blaze new trials, and lets those cadres fully realize their talents.

The political commissar of a regiment, quick-thinking and good at bringing forth new ideas, has done a great deal of work in exploring and carrying out civilian job training for servicemen. When the leaders were considering his promotion, the group army party committee received several letters from someone exposing his "problems." The party committee was not fooled by those letters. It assigned a leading comrade to investigate the regiment and found that the so-called "problems" exposed in those letter were not true. So, the party committee cleared him and promoted him to a division leading post. [passage omitted]

After making achievements in reform, some cadres in a certain division once gave themselves the airs of heroes and thus adversely affected the progress of reform. The group army party committee did not tolerate their wrongdoings, and it specially dispatched someone to the division to educate those cadres. As a result, the cadres overcome complacency and gained new experience in combining military training with civilian job training for servicemen. Their experience has been praised by Yu Qiuli, director of the General Political Department, and popularized throughout the PLA.

YANG DEZHI ATTENDS ARTS EXHIBITION 28 AUG

OW300623 Beijing XINHUA Domestic Service in Chinese 1313 GMT 28 Aug 86

[By reporter Wu Senhui]

[Text] Beijing, 28 Aug (XINHUA) -- The "Arts, Calligraphy and Photography Exhibition Marking the 50th Anniversary of the Victory of the Long March" opened at the China Arts Museum in Beijing today. Leaders of the Central Military Commission Yu Qiuli, Yang Dezhi, Zhang Aiping, and Hong Xuezhi wrote inscriptions for the exhibition. Yang Dezhi attended and cut the ribbon for the opening ceremony.

More than 350 works of art, calligraphy and photography were on display at the exhibition. These works have truthfully reflected the circumstances of the Red Army's Long March in those years. They have also eulogized the glorious contributions of the commanders and fighters in defending and building the four modernizations, and in promoting modernization of national defense. Works by scores of veteran Red Army fighters have drawn the most attention from visitors.

The PLA General Staff Department held the exhibition.

NPC DISCUSSES REVISED DRAFT BANKRUPTCY LAW

OW291420 Beijing XINHUA in English 1353 GMT 29 Aug 86

[Text] Beijing, August 29 (XINHUA) -- The revised draft Bankruptcy Law today stirred a heated discussion among members of the National People's Congress (NPC) Standing Committee, the highest legislative body in China. At the panel of the on-going 17th Session of the NPC standing Committee, some members supported the draft law and hoped it would be adopted soon, while the others held that the time was not opportune.

He Ying said the old conventions and ideologies will be cast away during China's existing political and economic structural reform. As a result, the draft bankruptcy law, which will make those enterprises with annual losses due to poor management announce bankruptcy, "is a kind of self-perfection for the socialist economic system," he added. He believed that once the law is adopted it will spur the formulation of other related laws.

Cheng Siyuan and Li Gui held that the adoption of the draft law would help improve management of state-owned enterprises, enhance competition among enterprises, upgrade the quality of products, and impel the workers and staff to work harder. Deng Jiatai said the big evil of the existing economic system lies in the fact that there is no distinction between the good and bad enterprises. He believed the implementation of the draft law conforms to the objective law of the development of the commodity economy under the socialist system. He suggested the working out of supplementary laws and regulations including an enterprise law, labor law and social security law as soon as possible.

Qian Min held that as several laws relating to industrial enterprises have not been adopted, it is not opportune to enact the bankruptcy law. Duan Suquan suggested that NPC make experiments before the bankruptcy law is put into effect.

RENMIN RIBAO REPORTS AUCTION OF BANKRUPT FACTORY

OW300730 Beijing XINHUA in English 0540 GMT 30 Aug 86

[Text] Beijing, August 30 (XINHUA) -- The assets of a bankrupt factory in Liaoning Province in northeast China will be sold in what may be the first property auction in China since the 1949 liberation.

According to a report in today's "PEOPLE'S DAILY," although no date has been set for the auction, members of a supervisory committee had decided to sell the Shenyang Explosion-Proof Equipment Factory as an entity. Any work unit or individual may bid for the factory at the auction, the paper said.

The plant, which made aluminum, products used in hazardous occupations, has fixed assets worth 302,000 yuan (81,500 U.S. dollars), according to the paper. It was declared bankrupt August 3 after failing to respond to a government order to repay its debts of 503,000 yuan (136,000 dollars) within a year.

Since then, the factory's 72 workers have been looking for new jobs while receiving unemployment benefits equal to 75 percent of their original wages. Serving on the supervisory committee are representatives of the Shenyang City government and the factory's creditors and former workers.

RENMIN RIBAO ON POSITIVE MEANING OF BANKRUPTCY

HK010447 Beijing RENMIN RIBAO in Chinese 22 Aug 86 p 5

[Article by Feng Lanrui: "The Positive Meaning of the Bankruptcy System" -- capitalized passages published in boldface]

[Text] Although enterprise bankruptcy is an economic phenomenon unavoidable in the competition of commodity market, it is a new thing in our country.

For a long time in the past, our country did not recognize that the socialist economy is a commodity economy. As competition was totally rejected, it was a matter of course that enterprise bankruptcy was not allowed but believed to be a phenomenon which should not happen in a socialist country.

Under the guidance of this theory, the state adopted various protective measures for those enterprises which performed badly, permanently suffered losses, and reached the brink of bankruptcy and tried by every means to maintain their production. On the surface, the economy seemed very stable; there was no bankruptcy and unemployment, and enterprises looked very safe; but in fact, our finances bore the burden, society incurred losses and the development of social productive forces was hampered.

By the end of 1984, there were 437,200 industrial enterprises in our country, of which 84,100 were industrial enterprises under the system of ownership by the whole people (source of information: "Chinese Statistics" 1985) Apart from a few advanced enterprises, the economic impact was generally not good and many enterprises incurred losses. [paragraph continues]

Some enterprises have been running at a loss for decades since their establishment and permanently eating from the same big pot of the state; some enterprises still maintained production despite their unsalable goods and the large amount of idle capital; some money-losing enterprises solicited loans from banks to issue bonsuses to their workers and staff members regardless of their difficulties in production. some enterprises were unable to institute economic accounting, and to improve their ecnomic results due to overstaffing; and so on and so forth. These phenomena have existed for a long time. In spite of the "rectifications," "the closing, suspending, merging and shifting of enterprises," and the activities of "making up deficits and increasing surpluses," this issue has never been really resolved.

The "Decision on Reform of the Economic Structure" made by the 3d Plenary Session of the 12th CPC Central Committee has affirmed that the socialist economy in our country is a planned commodity economy based on public ownership, thus providing us with a key to this issue. Since the economy is the socialist commodity economy, we should act according to the law of commodity economies, encourage competition among enterprises, and allow bankruptcy. In recent years, we began to study and enact the law on bankruptcy and conducted experiments in a few enterprises in Shenyang. As it has been proved that the experiments were successful, what we do next is to conscientiously sum up the experiences and implement an overall system of bankruptcy.

To implement a system of bankruptcy, first of all we should resolve an issue of understanding: "Bankruptcy" is not a inauspicious and unfortunate thing. In fact, bankruptcy means to liquidate property to repay debts. In our country, the purpose of declaring bankruptcy is relieve the debtors from debts and protect the rights and interests of creditors through a certain procedure of liquidating property and repaying debts. After being relieved from debts, the debtors can rally their forces and start once again. Moreover, if an enterprise was on the brink of bankruptcy, the responsible departments will issue a warning against bankruptcy and liquidation. The warned enterprises can carry out consolidation and salvation within a certain period of time, adopt effective measures, make up deficits and increase surpluses and strive to resuscitate themselves. Therefore, the implementation of the bankruptcy system is indeed an important measure to overcome the long-term losses incurred by enterprises and invigorate the economy.

THE IMPLEMENTATION OF THE BANKRUPTCY SYSTEM WILL INCREASE THE PRESSURE ON ENTERPRISES, INVIGORATE ENTERPRISES, AND FORCE ENTERPRISES OVERALL TO IMPROVE THEIR BUSIESS MANAGEMENT AND INCREASE THEIR ECONOMIC IMPACT.

The decision of the 3d Plenary Session of the 12th CPC Central Committee stipulated that enterprises should be truly made relatively independent economic entities and should become producers and operators of socialist commodity production, that is, independent and responsible for their own profit and loss. Two years have passed now and this objective still cannot be regarded as realized. The production objective of many enterprises is still to accomplish the tasks assigned by the upper level rather than meeting the market needs. Their problems of outmoded design and lack of variety, poor quality and unsalable goods have not yet been fundamentally changed. On the one hand, the goods needed by the market (the people) are in short supply; and on the other hand, the goods are kept long in stock. The system of bankruptcy is a kind of pressure on enterprises. In order to make profits and avoid the danger of bankruptcy, they must pay attention to economic information and produce goods needed by the market. Enterprises must often systematically and comprehensively gather, analyze and study information, know well the market situation, forecast consumption tendencies and get prompt feedback.

Based on the information gathered, enterprises should determine their own economic activities, including changing their product structures and organizing and expediting the renewal of products. This is the first point.

Second, in order to win in competition, enterprises must adopt new techniques and technologies and scientific management methods. Therefore, we must reform the management structure, streamline offices, reduce staff, perfect the economic accounting and quota system, increase work efficiency, and save funds, raw materials and energy so as to produce more output with less input.

Third, the implementation of the bankruptcy system can be conducive to overcoming the tendency to increase consumption like enterprises' lopsided pursuit of immediate interests and the expansion of the proportion of welfare and reward funds, so as to urge enterprises to devote more money to production development.

Finally, the implementation of the bankruptcy system can also urge those factory directors and managers who bear great responsibility to the state and enterprises to both proudly and carefully treat their careers, study and master the scientific methods of business management and make their contributions to the development of their own enterprises as well as the vitalization of the socialist economy.

THE IMPLEMENTATION OF THE BANKRUPTCY SYSTEM CAN PROMOTE STRUCTURAL REFORM AND EXPEDITE MACROECONOMIC REGULATION

After the implementation of the bankruptcy system, enterprises will be wholly responsible for their profit and loss. If they have a loss, the state will not make it up for them. If they are unable to repay their debts, their enterprises will have to close down. Therefore, it is necessary to provide enterprises with the conditions for assuming responsibility for their own profit or loss and self-development and give them full decision making power as much as possible. The responsible departments at a higher level should not intervene, hamper and fetter the operation of enterprises.

A few years ago, the central authorities decided to streamline administration and institute decentralization. By then, some responsible departments really delegated some powers to enterprises. However, many of these delegated powers have been withdrawn over the last 2 years. For example, some companies do not allow enterprisesto establish lateral combinations on a voluntary basis; some companies are engaging in lateral combinations by administrative orders; and although some companies delegated 60 powers last year, they have now recovered 58 powers, including the power to handle idle equipment. According to stipulations the prices of some products should be fixed in light of the market supply and demand as well as the agreement between the industrial and commercial sectors. However, in fact, pricing is still monopolized by the Commodity Price Bureau. If the abovementioned conditions are not changed, it is very difficult to carry out the specific measures of the State Council regarding the invigoration of the large and medium-sized enterprises. In order to truly let enterprises assume their own profit and loss, the responsible departments at a higher level must resolutely implement all the decisions and measurers of the party Central Committee and State Council regarding economic structural reform and should enforce one by one those which have not been implemented.

Second, the implementation of the bankruptcy system can also help macroeconomic regulation. Over the last 2 years, people often talked about the imbalance between the general supply and demand. The Hungarian economists said that the socialist economy is a deficient economy and that the main cause of the deficiency and the long-term difficulty to overcome it lies in the inflation of investment in fixed assets and consumption funds. If the bankruptcy system is implemented, while planning the capital construction items, some localities and enterprises must consider whether their products would suit the market needs, how soon the investment can be recovered, and what they will do if they sustain a loss. This can help us shorten the capital construction front, indirectly restrict the increase of consumption funds and play an active role in curing the syndrome of investment hunger and promoting the rational performance of enterprises.

THE IMPLEMENTATION OF THE BANKRUPTCY SYSTEM CAN HELP THE WORKERS AND STAFF MEMBERS CULTIVATE A SENSE OF RESPONSIBILITY AND INCREASE LABOR PRODUCTIVITY.

The implementation of the bankruptcy system concerns the immediate interests of every worker and staff member. In the past, joining enterprises under the system of ownership by the whole people was very much like getting an iron rice bowl and being protected by a safe; and many people did not very much care about the performance of the enterprises. When the bankruptcy system is adopted, the enterprise would go bankrupt if it fails to perform well and everyone would incur a loss. This will surely encourage every worker and staff member to care about the production and operation of the enterprise as if being the master of the enterprise, bring into play their initiative and creativity and improve labor productivity.

In short, the purpose of letting those enterprises under poor management and with unsatisfactory returns and whose debts exceed their assets go bankrupt is not just to passively let them close down. On the contrary, it is for encouraging enterprises to avoid bankruptcy and close-down, so as to prevent and reduce bankruptcy and close-downs. In terms of the whole society, this will invigorate the economy.

After the bankruptcy and close-down of an enterprise, many issues need to be resolved; and we must consider these while enacting the law of bankruptcy. In the experimental city of Shenyang, there are some regulations regarding these aspects, such as the liquidation of the assets of the closed-down enterprises, relief and employment for the workers and staff members of the closed-down enterprises, and so on. All these things should be correspondingly included into law, so as to protect the fundamental interests of the workers and staff members.

RENMIN RIBAO ON ENTERPRISE BANKRUPTCY SYSTEM

HK310920 Beijing RENMIN RIBAO in Chinese 28 Aug 86 p 1

[Commentator's article: "The Bankruptcy System May Be First Carried Out in Enterprises"]

[Text] Since China tried out the enterprise bankruptcy system in major cities including Wuhan, Shenyang, Chongqing, and Taiyuan in 1985, the might of the characteristically Chinese-type "warning" has been manifested for the first time in economic life. A number of enterprises that received warning to undergo consolidation with a stated time started to make up their deficits. Although the Shenyang Explosion-Proof Equipment Plant failed to make up the losses and declare bankruptcy, it did not lead to any chaos thanks to the ample preparations made for aftermath work.

The practices of enterprises "eating from the same big pot" provided by the state and leading cadres bearing no risk of operation or legal responsibility for bankruptcy over the years have led to grave consequences. A few years ago, certain localities indiscriminately issued bonuses and material goods. It was strange that deficit-laden enterprises issued more bonuses than others. The main reason was due to a lack of bankruptcy system. Following the establishment of a bankruptcy system. Following the establishment of a bankruptcy system, enterprises will have to take risks of operation and vigorously carry out reform for their survival. Herein lies the secret how the enterprises that received warning rapidly ended their backwardness.

Some people hold that the bankruptcy system should be instituted after the all-round implementation of the system of enterprises assuming sole responsibility for their profits and losses. This reverses the sequence of cause and effect. Without a bankruptcy system, an enterprise may share more when it makes profits or be subsidized by state finance when it suffers deficits. This is tantamount to assuming responsibility only for profits and not for losses. If we cannot proceed with the implementation of the bankruptcy system, enterprises assuming sole responsibility for their profits and losses would be empty talk.

One objective of the economic system restructuring is to separate government administration from economic management, so that enterprises can become relatively independent commodity producers and business operators. Without a bankruptcy system, administrative interference would continue in enterprises and officials would continue to use administrative measures to force profit-making enterprises to bear the losses of their deficit-laden counterparts. Blind administrative interference will continue year in and year out so long as there is no bankruptcy of enterprises. The implementtion of a bankruptcy system will impel those who are fond of interfering in enterprise affairs to take the matter seriously. The director of the Shenyang No 3 Farm Machine Plant, which also received a warning, said bluntly: "He who continues to administratively interfere will bear the responsibiliity of enterprise bankruptcy!" When an enterprise is entrusted with the responsibility for its survival, it will resolutely defend its decision-making right. This will help promote the reform of the economic structure from bottom to top and compel leading cadres at all levels to learn how to exercise management over the economy by economic and legal means and how to thoroughly separate government administration from economic management.

Naturally, the enterprise bankruptcy system should be implemented with the corresponding reforms. It is particularly necessary to institute, beforehand, a labor security system for the unemployed to maintain the stability of social order. Nevertheless, the reforms related to enterprise bankruptcy can be carried out while the bankruptcy law is being enforced. While proceeding with the experiment of enabling deficit-laden enterprises to go bankrupt, we should also adopt measures to perfect the corresponding laws and systems.

HU YAOBANG COMMENTS ON REFORM, TOURS QINGHAI

OW310100 Beijing XINHUA in English 0048 GMT 31 Aug 86

["Hu Yaobang on Ongoing Reform in China" -- XINHUA headline]

[Text] Xining, August 31 (XINHUA) -- Reform is "an irreversible historical trend" in China but the success of urban reform should not be overestimated, said General Secretary of the Communist Party of China Hu Yaobang here Wednesday.

An outstanding problem at present, he said, was that some local and departmental leaders, who fell short of the development of the situation, were slow in action.

He said that the Communist Party Central Committee and the State Council had long made decisions on certain things but not all these decisions had been put into effect.

Hu cited the leasing of small enterprises as an example. He said that in 1984, premier Zhao Ziyang made it clear that small-scale commercial enterprises should be leased to individuals for operation. But last year, some localities did just the opposite.

The general secretary was addressing local party and government officials after winding up a 12-day inspection tour of Qinghai Province. This was his second tour of the province following the previous visit in July 1983.

He told the local officials that the central authorities hd been considering how to link economic reform with political restructuring. Over-centralization, he said, was a big problem of China's administrative system. Without solving this problem and decentralizing powers, it would be difficult for economic reform to take a step forward and its achievements would be hard to be consolidated.

He disclosed that the party's political bureau had approved a decision on the guidelines for socialist spiritual civilization. The forthcoming Sixth Plenary Session of the 12th party Central Committee would discuss and adopt that decision which is now being deliberated among party leaders of the central departments and committees at the provincial level.

During his tour of Qinghai, Hu visited the countryside, pastoral areas, mines and factories. He also exchanged views with local officials on the development of the northwest China province.

He said that the province should place more emphasis on animal husbandry. To exploit local resources such as oil, natural gas, salt and waterpower, the province should plan a few key projects with the help of the state and should increase its economic ties with other parts of the country. In addition, Qinghai should also absorb foreign investment and technology, he said.

"Qinghai has made new progress and living conditions of the local people have remarkably improved since my last visit," he said. "I'm especially impressed by the newly promoted younger cadres who are better educated and full of the spirit of enterprise."

Other issues he dealt with included relations among different nationalities, religious policies, and socialist democracy and law.

FUJIAN MEETING ON RESETTLEMENT OF SOLDIERS

OW010308 Fuzhou Fujian Provincial Service in Mandarin 1030 GMT 29 Aug 86

[Excerpts] A provincial conference of representatives of advanced units and individuals on the resettlement of military retirees opened this morning in Fuzhou. [passage omitted]

Vice Governor You Dexin greeted and addressed the meeting. He urged all governmental levels and departments concerned with the resettlement of military retirees to improve their work style, strictly carry out pertinent regulations, conscientiously perform their duties according to set policies, and work conscientiously and responsibily in achieving good results in resettling military retirees and truly solving their actual problems.

Tang Wenguang, deputy chief of the Fujian provincial group for the resettlement of military retirees and director of the Fujian Provincial Personnel Bureau, gave a work report. In his report, he pointed out: From 1975 through 1985, Fujian Province resettled more than 30,700 military retirees. [passage omitted] The vast number of resettled military retirees have gained the masses' trust and respect by their own deeds.

JIANGSU PAPER ON PROMOTING CULTURAL DEVELOPMENT

OW020445 Nanjing XINHUA RIBAO in Chinese 19 Aug 86 p 1

[XINHUA RIBAO commentator: "Promote Cultural Development From a Strategic Level"]

[Text] This paper today carries a report on the way Changsu Municipality has intensified its leadership over cultural work. It is a good report, revealing to us the fact that cultural development should be promoted from a strategic level.

Socialist modernization and reform call for a more thriving cultural development, and cultural work under today's new situation is more important than ever before. This is because the process of socialist modernization is a composite process of political, economic, and cultural development, and none of these three is dispensable. If there is not a high degree of socialist cultural development, we cannot possibly achieve the four modernizations. A "cultural craze" has recently appeared throughout the vast land of China. It shows that the upsurge of reform is buffeting the outmoded and conventional ideas, cultural concepts, habits and customs, prompting people to deeply ponder their traditional cultures and search for new ideas and new cultural concepts compatible with a commodity economy. If we cannot achieve a breakthrough in cultural concepts and upgrade the people's cultural standard, our reform cannot continue. Having realized that our modernization program is one that covers all areas, we should know the proper role of cultural work in social development, and place cultural work on the party's agenda of important matters, incorporate it into governmental plans, and intensify the leadership over it from a strategic level. The idea and method of work of those who pay attention only to production of grain, cotton and oil-bearing crops but not to education, theatrical works and sports can no longer keep pace with the requirements of this age.

To intensify our leadership over cultural work from a strategic level, the first and foremost requirement is: We must fully comprehend and correctly implement the party's literary and art policies for the new period, and make every effort to ensure a steady, long-term development of cultural, literary and art work. [paragraph continues]

We should be good at adhering to the general orientation, at distinguishing important issues, at avoiding major deviations, and at taking note of the main trend. Guided by the general orientation of upholding the four cardinal principles and serving the people and socialism, we should continue to implement the principle of "letting a hundred flowers blossom and a hundred schools of thought contend." make every effort to create a more relaxed and harmonious environment, assure people of freedom of doing creative work and academic research, and encourage them to probe and bring forth new ideas so as to fully arouse cultural workers' initiative and liberate artistic potentials. As for those problems arising from doing cultural work, we should pay attention to distinguishing academic issues from political issues. While we must not handle erroneous tendencies listlessly and insensibly, or with a laissez-faire attitude, neither should we make a mountain out of a molehill, deliberately cause alarm, and brutally interfere with academic issues and different opinions. Leading comrades must understand the situation, be well informed regarding the trend, and exchange views with cultural workers constantly with the objective of caring for them and cherishing them. We should, however criticize, stop, and educate those people who propagate erroneous thinking, as well as degenerate and decadent works of low taste, and firmly outlaw reactionary and obscene works.

Cultural development is an enormous systemic engineering project. China has a profound cultural heritage and a wealth of cultural forms, and the people's needs are also diverse. Thus, in order to intensify the leadership over cultural work from a strategic level, we must keep in mind the actual situation in various localities, take prompt actions to study and draw up a strategic plan for cultural development, and incorporate it into the general economic and social development plans of governments at all levels. Meanwhile, leading comrades must investigate and understand the actual situation of the grass-roots units, make an effort to perfect the cultural policies, and make earnest efforts to solve actual problems arising in cultural development.

To bring about a more thriving socialist culture is an urgent and difficult task which can hardly be accomplished by cultural departments alone. Some comrades have said: We cannot simply count on the people within the cultural circle to promote cultural development, nor can we carry out spiritual construction with nothing but spirit. This is a very sensible observation. Government organs at all levels must combine the necessary financial, material and technical resources, and exert great efforts to improve the material conditions of cultural and artistic work, make conscientious efforts to improve the present situation where budgets for cultural and artistic work are seriously inadequate, equipment and facilities are simple and crude, and technical operation is outmoded. The organization of cultural and art groups and the training of talented artists, in particular, involve a whole series of problems concerning personnel management, wages, investment, and so forth, and party committees and governments at all levels must be willing to spend as much money on cultural work as possible. They should at least make sure that there will be an annual increase of cultural funds, so that cultural construction can keep pace with the development of economic construction and political life.

HUNAN MEETING HAILS WAN LI SOFT SCIENCE SPEECH

HK300543 Changsha Hunan Provincial Service in Mandarin 2200 GMT 27 Aug 86

[Text] A number of middle-aged and young intellectuals from Changsha institutes of higher education, government departments, research organs, factories, enterprises, and cultural, propaganda, and medical units gathered at the provincial CPPCC on 29 August to discuss Wan Li's speech at the national forum on soft science research work. They held that Comrade Wan Li's speech was a very heavy pounding of the traditional feudal system and policy-making methods, and was bound to bring about changes in people's mental concepts. It would also play a major stimulating role on the reform of the political structure which has already started.

(Li Jing), deputy director of the provincial Economic Research Center, said: This is the first time the central authorities have convened a forum on soft science research work. In particular, the suggestion on turning policy making into a democratic and scientific thing is of great significance. He made the following proposals: 1) The provincial leadership must spontaneously ensure that policy making on major macroeconomic issues is democratic and scientific. 2) Leadership and organization of Hunan's soft sciences research work must be strengthened. 3) A relaxed political environment and the necessary material conditions should be provided for soft science research work.

(Zhang Qiren), vice chairman of the provincial Science and Technology Commission, and (Fan Chongwu), manager of the Changsha automobile motor plant, said: Political structural reform must be carried out in step with economic structural reform. At present the problems of lack of separation between party and government and between government and enterprise are still very serious. Nothing can be done without a nod from the party committee. Thus a patriarchal-style political setup has formed, constraining the development of the economy. Current ideological and political work also lags behind the requirements of practical work.

(Chen Jiaji), deputy director and chief engineer of the provincial Electronics Bureau, said Policy making must also be made a part of the legal system. China has a long history of feudalism. It is very difficult to democratize policy-making without the assurance of the law.

The Middle-aged and young intellectuals also appealed to the leaders at all levels to attach importance to research and application of soft science. They also called for the rapid establishment of a provincial macroeconomic strategy research organ, for changing the situation of serious lack of harmony of scientific research, teaching., and production, and for truly placing policy-making in the province on a democratic and scientific basis.

(Zhang Qiren), who had attended the national forum, told the middle-aged and young intellectuals about its proceedings. Zhou Zheng, vice chairman of the provincial CPPCC, presided at the meeting.

HUNAN LEADER DISCUSSES IDEOLOGICAL WORK ISSUES

HK310257 Changsha Hunan Provincial Service in Mandarin 2200 GMT 30 Aug 86

[Excerpts] Provincial CPC Committee Secretary Mao Zhiyong stressed at the provincial symposium on ideological and political work which concluded on 30 August that ideological and political work must suit as soon as possible the new situation of reform and opening up. This meeting lasted 6 days. [passage omitted]

In this important speech, Mao Zhiyong said that the present moment is a fine opportunity for stepping up and improving ideological and political work. It could also be described as a golden age. On the one hand, reform and opening up have stimulated the emancipation of people's minds and created extremely favorable conditions for stepping up and improving ideological and political work. On the other hand, reform and opening up require that people renovate their ideological concepts on a still broader scale. This puts forward new social requirements on stepping up and improving ideological and political work.

The use of discussion on practice as the sole criterion for testing truth, which unfolded around the time of the 3rd Plenary Session of the 11th CPC Central Committee, represented a great emancipation of people's minds. The renovation of people's ideological concepts now being carried out today, centered on all-round reform, could be described as another great emancipation of the mind.

Comrade Mao Zhiyong stressed that all localities and departments must understand afresh and harmonize the relationship between iedological and political work and economic work and spontaneously perserve in simultaneously building the two civilizations. We must vigorously step up and improve ideological and political work in accordance with the demand for making this work democratic, scientific, and systematic.

On the question of how to improve ideological and political work, Comrade Mao Zhiyong said that we must first gradually prove how to establish a scientific management system and strengthen and improve all-round management of ideological and political work. Second, ideological and political work must itself be improved and better embody the principles of democracy and enlightening people's minds. Third, we must improve the environment for this work and ensure that there is an excellent social atmosphere for it.

In conclusion, Comrade Mao Zhiyong stressed that the leading cadres at all levels and political work personnel must get a good grasp of studying theory and apply new concepts and knowledge in creating a new situation in ideological and political work.

Xiong Qingquan, deputy secretary of the provincial party committee and governor, also spoke at the meeting on 30 August. [passage omitted] Also present were members of the Standing Committee of the provincial party committee Wang Xiangtian, Jiang Jinlia, Shen Ruiting, and (Di Jianguo), Chen Yufa, member of the Standing Committee of the provincial Advisory Commission; Ji Zhaoqing, vice chairman of the provincial People's Congress Standing Committee; (Liu Huan), vice chairman of the provincial CPPCC; and Gu Shanqing, political commissar of Hunan Military District.

CHENGDU PLA READJUSTS LEADERSHIP GROUPS

HK300305 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 29 Aug 86

[Text] Readjustment of all military subdistrict leadership groups under the Chengdu Military Region has been completed. The readjust groups show a marked quality improvement. Some 25.3 percent of their members have tertiary education or higher, an increase of 6.8 percent compared with the preadjustment figure. The average age has dropped. One to three of the members of military subdistrict leadership groups in minority-nationality areas are minority-nationality cadres.

This readjustment represented an important step in the streamlining and reorganization of the PLA. The Central Military Commission's principle of readjustment, strengthening, and stability has been properly implemented in the work. Supernumerary personnel have been resolutely readjusted, and the proportion of those being promoted has been strictly controlled.

XIZANG LEADERS RECEIVE ARMED POLICE GROUP

HK281530 Lhasa Xizang Regional Service in Mandarin 1130 GMT 27 Aug 86

[Text] On the afternoon of 26 August, responsible comrades of the regional party and government, including Wu Jinghua, Doje Cering, Dangzin, and Gyanincain Norbu, received all comrades of the second subgroup of the report group of heroic models of the Chinese People's Armed Police Force.

Comrade Wu Jinghua said: The whole country is now embarking on the building of two civilizations. You have contributed toward safeguarding the building of material civilization on the one hand and publicized the building of spiritual civilization with your deeds on the other. This has set an example for the Armed Police Force and inspired the Xizang Armed Police Corps very greatly. On behalf of the party, government, and people of Xizang, I express gratitude to you.

Comrade Wu Jinghua asked the heroic models to see more of the new outlook of Xizang and cultural relics and to understand the civlization of the Tibetan nationality during their stay in Xizang and to take with them the good ideology and good work style of the people of Xizang.

Present at the reception were responsible comrades of the regional departments concerned, including (Yang Houdi) and Zhou Qinshun, and responsible comrades of the Xizang Armed Police Corps, including (Wang Chongliang) an (Li Jiarui).

XIZANG LEADER STRESSES CRACKDOWN ON CRIME

HK310323 Lhasa Xizang Regional Service in Mandarin 1130 GMT 30 Aug 86

[Excerpts] Gyanincain Norbu, deputy secretary of the regional party committee, said at a report meeting on straightening out party style on 29 August that the struggle to crack down on economic crime in Xizang is only just starting. In the future, we must continue to crack down hard on serious economic and other crime and continue to do a good job in investigating and dealing with major and important cases.

He said: Judging by the situation in cracking down on serious economic crime and investigating and dealing with major cases, there are indeed many problems in the economic and material supply departments in Xizang.

From January to August, the procuratorate departments along brought 55 economic crime cases to court, involving a total amount of 1.3 million yuan. Ten of these were major cases involving leading cadres at and above county-level. The means adopted by these economic criminals were evil and the cases were serious and did great harm. [passage omitted] These cases have caused the state and people serious economic losses and have also gravely damaged the party's image and prestige and had a very bad impact among the masses.

He said: Analyzing the reasons for these criminal activities, objectively speaking, we have failed to take sufficient corresponding measures in the new period, with the result that certain lawless elements have taken advantage of loopholes. In addition the leaders of certain units are seriously bureaucratic. The personnel handling the business have poor professional knowledge and do not understand or follow the law. Management systems are not on a sound basis and management is chaotic. This also constitutes an important reason for the success of the schemes of these criminal elements.

Subjectively speaking, certain cadres, staff, and workers, especially leading party cadres, have slackened study during the period of reform and opening up, pay no attention to remolding their world view, and are unable to withstand corrosion by decadent bourgeois ideas and the lure of cash and wealth. They look for money everywhere and have become prisoners and worshipers of money and wealth. [passage omitted]

Gyanincain Norbo said: In the course of cracking down on economic crime and investigating and dealing with major and important cases, we must pay attention to grasping policy demarcation lines and ensure that the cases are handled well. We must conduct education in party spirit, style, and discipline, and in legal system, and launch a drive to popularize knowledge of the law. [passage omitted]

HEBEI HOLDS CONSCRIPTION WORK CONFERENCE

SK300755 Shijiazhuang HEBEI RIBAO in Chinese 16 Aug 86 p 1

[Text] At a provincial conscription work conference held on 14-15 August, leading comrades of the provincial government and Military District stressed that this year's conscription task should be fulfilled in high quality with a spirt of high responsibility for national defense.

It was to mobilize forces from all quarters to strictly maintain the quality of soldiers that the provincial party committee, government, and Military District called together responsible comrades of the Propaganda Department of the provincial party committee, the General Office of the provincial government, the provincial Public Security, Civil Affairs, Public Health, Finance, and Labor and Personnel Departments and Bureaus, the provincial Trade Union Council, CYL Committee and Women's Federation, and various prefectures and cities, and principal leading comrades of various military subdistricts and garrison districts for the conference. Lu Chuanzan, deputy secretary of the provincial party committee, attended the conference, and Zhang Chao, Standing Committee member of the provincial Military District, and Provincial Vice Governor Zhang Runshen spoke. To draw the attention of all units to the quality of soldiers, the conference commended Hengshui Prefecture and Zanhuang County which had achieved prominent results in conscription work over past years, issued silk banners and monetary awards to them, and named and criticized units which had big problems in consciption work last year.

The conference emphasized: Maintaining the quality of soldiers is the foundation for strengthening the modernization of our Army, and is all the more important at present when streamlining and reorganizing the Army.

The conference set forth four requirements on this year's conscription work. The first is to conscientiously strengthen leadership. Leading party and government comrades at all levels should attend to it personally, and coordinate the forces of various departments. People's Armed Forces departments at all levels should exert their utmost efforts. Propaganda, public security, civil affairs and other pertinent departments should carry out their responsibilities and duties.

The second is to conduct thorough, widespread, and conscientious propaganda. Efforts should be made to mobilize forces from all quarters of society; to use all forms of propaganda to publicize among youths old enough to join the Army and their parents the important significance of national defense, the glorious tradition of patriotism, the historical functions of the People's Army, and the glorious task of serving one's term of military service; to create a powerful public opinion that it is glorious to join the Army; and to inspire enthusiasm in youths to enlist in the Army.

The third is to earnetly carry out preferential policies. In line with the Military Service Law and relevant regulations of the provincial government, all levels should formulate measures to give special care to disabled servicemen, and to family members of revolutionary martyrs and servicemen, which correspond with specific local conditions. Overall planning should be made by townships to make sure that the preferential money to compulsory servicemen is no less than two-thirds of the income of the laborers with the same level of ability, and that certificates of preferential treatment are issued simultaneously with notices of enlistment.

The fourth is to strictly implement conscription policies and relevant regulations, do a good job in the political and physical checkups for enlisted youths, and resolutely prevent youths who have broken the law -- through hooliganism, theft, and gang fighting -- those not physically qualified, and those illiterate or with only lower primary school education from being recruited. Unhealthy trends, fraudulent practices for the benefit of relatives or friends, and violations of policies and discipline should be resolutely stopped and firmly dealt with if the cases are serious.

NEI MONGGOL MILITARY ENDS PARTY RECTIFICATION

SK300215 Hohhot Nei Monggol Regional Service in Mandarin 2200 GMT 29 Aug 86

[Text] The party rectification of the Nei Monggol Regional Military District concluded in mid-August after a period of 20 months. Through the party rectification, encouraging changes have taken place in party and army styles, and army building has been effectively facilitated. Major manifestations are as follows:

First, the masses of party members of the organs of the Military District and its subordinate units have enhanced their understanding of the line, principles, and policies adopted since the 3d Plenary Session of the 11th CPC Central Committee, raised their awareness in maintaining ideological and political unity with the party Central Committee, come to understand the importance and necessity of economic and political structural reforms, and enhanced their confidence in the reforms.

Second, they have achieved a clearer understanding of the erroneous essence of the theory of continuing revolution under the dictatorship of the proletariat, eliminated leftist influences, summed up experiences and lessons, and strengthened the unity with various quarters.

Third, the quality of party members has been upgraded.

Fourth, they have enhanced their sense of party spirit, discipline, and value. They have fostered a correct idea on gains and losses, abiding by party arrangements in doing everything.

Fifth, they have conscientiously overcome negative phenomena and notably improved party and Army styles.

Sixth, with the problems of party committees and branches properly solved, the functions of party organizations as leadership cores and fighting bastions have been strengthened.

Seventh, fostering the idea that leadership means service, party committees and organs at various levels have done solid work for the grass-roots in a down-to-earth manner, and comprehensively strengthened grass-roots construction.

Eighth, things have been straightened out, and some major and serious cases committed during the Cultural Revolution have been clarified. This has not only purified the organization but closed the rifts between the Army and the government, between the Army and the people, and between nationalities caused by the three major frame-up cases.

SHANXI MEETING STRESSES ECONOMIC REFORMS

HK310615 Taiyuan SHANXI RIBAO in Chinese 18 Aug 86 p 1

[Report: "Provincial Government Holds Meeting of Commissioners, Mayors To Arrange Production Work in Next 5 Months"]

[Excerpts] The provincial government has called on all prefectures, cities, and departments to take effective measures to mobilize the initiative of plant managers, frontline workers, and salesmen, so as to do a good job in industry and communications production in the past 5 months of the year and unswervingly fulfill the year's production tasks.

The provincial government convened a meeting of prefectural commissioners and city mayors in Taiyuan from 14 to 16 August. Governor Wang Senhao and Vice Governor Yan Wuhong spoke on protecting and supporting the reforms and on doing a good job in industrial production in the last 5 months of the year.

Shanxi has actively and steadily carried out economic structural reforms this year. The situation in industry and communications production has been relatively good, and output value in the first half of the year rose by 4 percent compared with the same period last year. However, production in July dropped due to the fact that certain enterprises where production is strongly seasonal and labor conditions are poor were affected by high temperatures and rain, and in particular, because comrades in charge of economic work failed to get a good grasp of the measures already decideded on. The production task in the last 5 months of the year has thus become all the heavier.

The provincial government has made specific arrangements for industry and communications production in the last 5 months of the year and has taken steps to mobilized the initiative of plant managers, frontline workers, and salesmen. First, unswervingly promote the plant director (manager) responsibility system and the responsibility system for targets to be obtained during the term of office of a director (manager). [passage omitted] Second, continue to get a good grasp of implementing the economic responsibility system within the enterprises, as as to mobilize the initiative of the staff and workers, especially the frontline workers. In enterprises that fulfill the major economic indices for this year, the level of bonuses can be the same as or slightly higher than last year. [passage omitted] Third, do a good job of practicing the contract responsibility system for salesmen so as to fully mobilize their enthusiasm and initiative. [passage omitted]

It is necessary to care for and support reform, protect refrom activists, and in particular take a firm and clear-cut stand in backing them up when they encounter censure and blame.

It is necessary to maintain a certain growth rate om fulfilling this year's plan, but we should not blindly pursue output value. We must attach particular importance to improving quality and produce goods in high demand in the markets. We must do everything possible to reduce input consumption, cut production costs, reduce deficits and increase surpluses, and improve economic results.

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FOREIGN MINISTRY HOLDS WEEKLY NEWS BRIEFING

Denies Soviet MPR Withdrawal

HK030936 Hong Kong AFP in English 0906 GMT 3 Sep 86

[Text] Beijing, Sept 3 (AFP) -- The Chinese authorities are unaware of an informal proposal by Moscow for a total withdrawal of Soviet troops from Mongolia, a government spokesman said here Wednesday.

The spokesman, Li Zhaoxing, was responding to reports in the Japanese press Wednesday that a Soviet Foreign Ministry official had told the Chinese Embassy in Moscow that the Soviet Union no longer needed to station troops in Mongolia following its recent offer to improve relations with China.

"I have not yet heard anything about this," Mr Li told a press briefing.

Japanese newspapers reported that the Soviet Union had also proposed to Chinese diplomats at the United Nations that it withdraw 90 per cent of its forces in Mongolia to begin with, and pull out the rest later. No date for the withdrawals was given.

A spokesman for the Soviet Embassy here said he could neither confirm nor deny the Japanese press reports because he did not have enough information.

China has said the presence of Soviet troops on its borders is an obstacle o better Sino-Soviet relations. It estimates there are 100,000 Soviet troops in Mongolia.

Soviet leader Mikhail Gorbachev offered to reduce Soviet troop strength on China's borders in a major Asian policy speech delivered on July 28.

Denies Knowledge of Defector

HK030828 Hong Kong AFP in English 0811 GMT 3 Sep 86

[Text] Beijing, Sept 3 (AFP) -- A Chinese Foreign Ministry spokesman Wednesday denied any knowledge of a senior Chinese intelligence expert's defection to the West, saying the affair was outside his Ministry's area of responsibility. "I am not aware of that," Foreign Ministry Spokesman Li Zhaoxing said in response to questions at a weekly press briefing.

Reliable sources said the official, Yu San, who was the director of the State Security Ministry's (SSM) Foreign Affairs Office, had defected to a Western country last January. He is also known as Yu Zhensan. His defection, analysts here said, may have given Western experts their clearest picture so far of China's shadowy espionage network.

The SSM was the latest addition to the web of Chinese Government agencies which cooperate and compete in gathering intelligence.

Reportedly modeled on the Soviet KGB, the Committee for State Security, it was set up in July 1983, with the official explanation that it would coordinate counter-espionage and stem a spate of leaks brought on by China's opening to the outside world.

In proposing the new ministry, Chinese Premier Zhao Ziyang had referred to the "complicated and unstable international environment" -- an indication, Western diplomats then said, that the SSM would regroup most of China's overseas intelligence activities.

Reliable sources said Mr. Yu was in a position to name Chinese operatives overseas and reveal information on Beijing's surveillance of foreigners in China.

(In Taipei, where some reports said he had fled, members of Mr Yu's family said Wednesday that the defector was related to former Nationalist Defence Minister Yu Ta-wei, 90, currently an advisor to President Chiang Ching-kuo, but that the two had never met.

(Both the Foreign Ministry and Defence Ministry in Taipei declined to comment on the reports that the intelligence official may have come to Taiwan.)

Sources here said they believed Mr Yu had held several closely related jobs in different organisations, either simultaneously or successively. These included posts in the Public Security Ministry, which is in charge of the police, and the investigative branch of the Chinese Communist Party. Parts of both organisations were absorbed by the SSM.

The sources said China's intelligence-gathering and surveillance efforts seemed to concentrate on keeping tabs on Chinese citizens to ensure that they do not reveal state secrets.

Since China adopted a more open policy in 1978, the practical definition of "state secret" was gradually narrowed, and the official media increasingly published economic statistics that would previoulsy have been unavailable. But a 1951 regulation that remains in effect names as state secrets 17 basic categories including defense, foreign affairs, the economy, scientific discoveries, education, culture, public health and legislative and judicial proceedings.

China's spy-catching efforts so far have focused on Taiwan agents, with about a dozen reported arrests each year, but lengthy prison sentences seem to have replaced the once common executions. In one recent case, a U.S. Overseas Chinese and three Chinese nationals convicted last August of spying under the joint direction of Taiwan and the United States were jailed for three to 12 years.

The expulsion in July of the correspondent of THE NEW YORK TIMES, John Burns, appeared, on the other hand, to be an isolated incident prompted by his taking an unauthorised motorcycle trip to a closed area that may have been militarily sensitive, analysts here said. Mr Burns was held for several days and eventually expelled for activities incompatible with his status as a journalist, after having been investigated for alleged spying activities.

Less is known about China's overseas operations, but analysts here said countries high on the list could be expected to include the Soviet Union and other states bordering China that pose real or potential security threats.

In the West and in Japan, Beijing was likely to be interested in acquiring restricted technology and keeping an eye on political developments that could influence future policies related to Beijing's interests, they said.

USSR PLANS COMPLETE TROOP WITHDRAWAL FROM MPR

OW030005 Tokyo KYODO in English 0002 GMT 3 Sep 86

[Text] Tokyo, Sept. 3 KYODO -- The Soviet Union plans to pull out all of its 75,000 troops from Mongolia and has informally notified the intention to China, the YOMIURI SHIMBUN newspaper said Wednesday.

China regards the Soviet military presence in the neighboring country in the north as one of the obstacles to improvement of Sino-Soviet relations.

Soviet forces in Mongolia are no longer necessary following a peace initiative taken by party General Secretary Mikhail Gorbachev in July, acording to the major Japanese daily which attributed the source of the information to East European sources in Beijing. The sources said a senior Soviet Foreign Ministry official had informally told the Chinese Embassy in Moscow of the planned troop withdrawal.

Gorbachev said in a speech made at Vladivostok that the Soviet Union plans to pull out a "substantial" part of its Armed Forces stationed in Mongolia but he did not elaborate on when.

In a front-page, Beijing-datelined story, the newspaper also quoted the sources as saying that a Soviet diplomat had told them Moscow plans to withdraw 90 percent of an estimated 75,000 troops in Mongolia in the first stage.

The Soviet Union and China are expected to discuss the matter officially when Soviet First Deputy Premier Nikolay Talyzin visits China next week for talks wih Chinese leaders, the newspaper added.

Knowledge of Pullout Denied

OW030845 Tokyo KYODO in English 0827 GMT 3 Sep 86

[Text] Beijing, Sept. 3 KYODO -- A Chinese official source Wednesday denied that the Soviet Union has told China of its intention of a total troop pullout from Mongolia.

"We haven't heard anything about a complete pullout," the source said when asked to comment on a newspaper report in Tokyo that the Soviets had informally notified China of the pullout plan.

The YOMIURI SHIMBUN, in a Beijing-datelined report Wednesday, quoted "East European sources" as saying that the Soviets will be pulling out all their troops stationed in Mongolia because they are no longer necessary there following the recent peace initiative launched by Soviet leader Mikhail Gorbachev.

The Chinese source, when contacted by KYODO NEWS SERVICE, said Gorbachev had mentioned in his July speech at Vladivostok about plans to withdraw "a considerable" part of Soviet troops in Mongolia. It was not a complete withdrawal, the source said.

DENG XIAOPING MEETS WITH JAPAN'S TAKEIRI

Views Political System Reform

OW031024 Beijing XINHUA in English 0954 GMT 3 Sep 86

[Text] Beijing, September 3 (XINHUA) -- Chinese leader Deng Xiaoping said here today that China will handle its political structural reform with circumspection because it will be a very complicated job covering almost every field.

Deng made these remarks at a meeting with a delegation from the Japanese Komeito (Komei Party) led by Yoshikatsu Takeiri, chairman of the Party's Central Executive Committee.

China put forward the reform task in 1980, it also included the political structural reform, Deng told the Japanese visitors.

"The economic reform on the whole has progressed smoothly. Now that the economic restructuring has taken a step forward, we feel the necessity of the political structural reform," Deng said. Without the latter, he stated, the expansion of the productive forces and the success of China's modernization program will be hindered.

Deng said, "We are considering the content of the political structural reform." First of all, he said, "We should define the areas covered by the political structural reform and make clear where we will start." "In a word, our party should be good at leadership, party and administrative affairs should be separated, and we should eliminate bureaucracy and rouse the enthusiasm of the people and grass-roots units," he said.

During the meeting which lasted for more than one hour, Deng answered many questions asked by Takeiri.

Responding to the question whether the forthcoming Sixth Plenary Session of the Chinese Communist Party's 12th Central Committee scheduled for this month will discuss the political structural reform, Deng said it's already too late to include the subject on the agenda, adding that some aspects may be brought up.

"We should be prudent in decision-making. When we take a step, we assess the possibility of success before we make up our mind," he said.

On China's relations with the East European countries, Deng said, "Our general judgement is that both East and West Europe are a force for safeguarding peace."

"It is based on this understanding and judgement," Deng said, "that we expand our relations with the East European countries. Both sides are sincere in such endeavor."

Speaks on USSR-PRC Ties

OW031113 Tokyo KYODO in English 1057 GMT 3 Sep 86

[Text] Beijing, Sept. 3 KYODO -- Chinese senior leader Deng Xiaoping Wednesday dismissed Soviet leader Mikhail Gorbachev's peace initiative as "no major step" in bilateral relations, Japanese officials said.

Gorbachev's proposal last July to improve relations with China "does not signify a major step in the normalization of Sino-Soviet relations," Deng told a Japanese delegation led by Yoshikatsu Takeiri, chairman of Komeito, Japan's No 2 opposition party.

Yoshiaki Masaki, a member of the delegation who was present at the meeting, quoted Deng as saying that although there were some new points in the proposal, the compromises were minimal.

He added that Deng indicated Sino-Soviet relations are not likely to be improved due to he offer, contrary to expectations.

The Chinese leader also said Gorbachev had acknowledged in the proposal that the two countries are divided by a territorial dispute, Masaki said, adding that Deng sees the matter as a sign of improvement which may lead to territorial negotiations with the Soviet Union.

Deng said a major defect of the Soviet proposal is the omission of the problem of Vietnam's control over Kampuchea, Masaki said.

If Gorbachev decides to try to resolve the problem, a foreign ministerial meeting will be held between China and the Soviet Union Deng said, adding that a summit meeting will also be considered.

Deng denied, however, that Sino-Soviet relations will be improved to the level of the "honeymoon" period of the 1950s, Masaki said.

The Chinese leader talked about the Soviet Union's troop withdrawal from Mongolia in the meeting with Komeito delegates.

Masaki quoted Deng as saying that the Soviet Union will leave its military bases and facilities there and the military forces can be returned within a couple of days if necessary.

Deng also expressed dissatisfaction that the Soviets have withdrawn only 5 to 7 percent of their troops from Afghanistan, according to Masaki.

Regarding China's relationship with East European countries such as East Germany, Deng said he hopes to improve relationships with the region at the Communist Party level, in addition to national level.

Deng also said that China needs to reform its political system in order to improve its economic situation, Masaki said.

Too much power is concentrated in the higher levels of the country's political bodies, causing a lessening of vitality at lower levels, an area Deng singled out as needing reform, according to Masaki.

Plans for reform, however, are not likely to be submitted to the Sixth General Meeting of the Central Committee in September, Deng added.

Seeks Approval on Retirement

OW031129 Tokyo KYODO in English 1118 GMT 3 Sep 86

[Text] Beijing, Sept 3. KYODO -- Chinese senior leader Deng Xiaoping indicated in a meeting here Wednesday with Yoshikatsu Takeiri, chairman of Japan's No 2 opposition party Komeito, that he intends to step down as chairman of the Central Advisory Committee.

Deng had already indicated his plan to retire when he met with Susumu Nikaido, former vice president of Japan's ruling Liberal-Democratic Party (LDP) in early August. He added at that time, however, that, "things will go more smoothly from a diplomatic point of view if I stay in a high-ranking post."

Speaking to Takeiri, Deng was quoted as saying, "Although objections to my retirement will probably arise (among Politburo members), I'm determined to persuade them to authorize it before ;the Communist party's Congress next year."

Responding to Takeiri's remark that it will be very difficult for him to retire, Deng said, "You are right, but I have to do it as I continually advocate abolition of lifetime tenure of party executive posts."

His remark was seen as indicating that he intends to set an example in implementing rejuvenation of party executives.

DENG YINGCHAO MEETS JAPANESE KOMEITO DELEGATION

OW020924 Beijing XINHUA in English 0743 GMT 2 Sep 86

[Text] Beijing, September 2 (XINHUA) -- Deng Yingchao, chairman of the National Committe of the Chinese People's Political Consultative Conference, hosted a luncheon here today for a delegation from the Japanese Komeito (Komei Party), led by Yoshikatsu Takeiri, chairman of the party's Central Executive Committee.

Takeiri and his colleagues arrived in China on August 23 and had just come back to Beijing from a trip to the northwestern areas.

Chinese Vice-Premier Li Peng and president of the Chinese People's Association for Friendship With Foreign Countries Zhang Wenjin were also present at the luncheon.

'NO NEED FOR A TRIAL OF STRENGTH WITH INDIA'

HK310222 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 31 Aug 86 p 6

["Jottings" by Sai Bei: "A Bit Too Reckless"]

[Text] Mr S.P. Singh has published a long article in the HINDUSTAN TIMES attempting to prove that China is a "threatening" country. The core idea of this article is: "The Chinese have always built their foreign policy on the basis of the traditional big-country balance of power of 18th-century Europe," and so "no country is permitted to hold a dominating position"; China and India "are both big countries with massive populations," "both are in a similar stage of development (or non-development)," and "both are medium powers," and therefore China does not accept the McMahon Line in order to force India to "change" "its policy and relations in the region, so as to ensure China's controlling position in the region." Mr Singh says that "Beijing holds that this controlling position is its heaven-given right," and therefore "India would be unwise to expect China to turn into a good neighbor."

Mr Singh's open advocacy that India should not establish good-neighborly relations with China is really amazing.

India and China have coexisted in friendship since ancient times, and the only current problem in their relations is a border issue. This writer has pointed out when chatting with Indian friends that this is a problem left over from history and that it was caused neither by Indians nor by Chinese. Since this is so, we can completely settle this problem through mutual accommodation and concession on the basis of taking care of the national feelings and interests of the peoples of the two countries, without leaving behind future trouble for our posterity. Government officials of the two countries have already held several rounds of talks on the Sino-Indian border issue, and this at any rate represents a major step forward from mutual stalemate. For historical, geographical, political, economic, and cultural reasons and so on, border questions between a number of countries in the world are highly complex, and it very rarely happens that a permanent settlement can be reached after one or two straightforward negotiations or after a bit of struggle. Mr Singh is evidently too impatient at seeing that officials of the two sides have not resolved the problem after several rounds of talks.

As for his remark that China's foreign policy is aimed at "ensuring" China's "controlling position," that marks a progression from a throng of strange thoughts in his mind to indulgence in the wildest fantasies. Asia is so big, and China has never established any controlling position in Asia, to say nothing of "ensuring" such a position. Who can control whom in the world today? What country has succeeded in its intention of gaining a controlling position in the whole world or in a region? This writer does not believe that there is such a madman in the world today who would think of "ensuring" control over such a large country as India! China has no need for a trial of strength with India, and still less does it want to see India in a low posture. We hope that India will be prosperous and happy; we hope to stretch out our hands in cooperation with India, with both of us seeking peace and development. As the specific conditions of the two countries differ, one or the other may progress a bit faster for a time or in an aspect in the course of development; this should become a factor spurring us to care for, assist, and stimulate each other; it should not become anything else. Regarding 18th century European foreign policy philosophy as the principle of China's foreign policy in the latter part of the 20th century, Mr Singh is taking such a giant step in space and time that he is allowing his fantasy to run wild, and so all he can do is come out with alarmist talk instead of making a realistic analysis.

China and India are both big countries in Asia. The state of relations between them has a major impact on peace and security in Asia and the world. Mr Singh was a bit too reckless because he did not weigh these words before putting pen to paper.

SRI LANKAN PARLIAMENTARIANS ARRIVE IN BEIJING

NPC Official Greets

OW291328 Beijing XINHUA in English 1148 GMT 29 Aug 86

[Text] Beijing, August 29 (XINHUA) -- A delegation from the Sri Lankan Parliament, led by Speaker E.L. Senanayake, arrived here today for a goodwill visit at the invitation of the Standing Committee of China's National People's Congress (NPC). Zhu Xuefan, vice-chairman of the NPC Standing Committee, greeted the delegation at the airport.

Peng Zhen Meets Group

OW301410 Beijing XINHUA in English 1354 GMT 30 Aug 86

[Text] Beijing, August 30 (XINHUA) -- Peng Zhen, chairman of the National People's Congress Standing Committee, met a delegation from the Sri Lankan National State Assembly led by Speaker E.L. Senanayake, here tonight in the Great Hall of the People. Peng expressed a warm welcome to the speaker and praised the long-standing friendship between China and Sri Lanka.

"There are no pending problems left over from history between our two countries, and both of us are facing the common tasks of developing the national economy and safeguarding world peace," he said. Peng hoped China and Sri Lanka would increase mutual understanding, help each other and expand economic and trade cooperation.

Referring to China's foreign policy, Peng said it features an independent stand for peace and opening to the outside world. "Opening to the outside world is linked to the five principles of peaceful co-existence, which also include opposing hegemonism," he added.

Senanayake stressed that fraternal relations exist between the two countries, and Peng agreed.

China advocates that all countries should be equal whether they are big or small, rich or poor, strong and weak. China and Sri Lanka should develop their relations on an equal footing, Peng added.

Peng and Senanayake briefed each other can their respective countries' domestic and foreign policies and economic development. Zhu Xuefan, vice-chairman of the NPC Standing Committee, also attended the meeting.

Delegation Meets Ulanhu

OW311220 Beijing XINHUA in English 1149 GMT 31 Aug 86

[Text] Beijing, August 31 (XINHUA) -- Chinese Vice President Ulanhu expressed satisfaction here today with the development of the Sino-Sri Lankan relations and the hope that the two countries will further their traditional friendship.

In a meeting with a delegation from the Sri Lankan National state assembly led by Speaker E.I. Senanayake, the vice-president said that the Sino-Sri Lankan relations are better than ever.

"The two countries, which both belong to the Third World and have much in common, enjoy a sound basis for the development of their friendly relations," he added. He expressed the belief that the visit of the delegation, the first one sent by the Sri Lankan Parliament to China in more than 20 years, will help promote relations between the two countries.

Senanayake gave a return banquet at the Sri Lankan embassy for Zhu Xuefan, vice-chairman of China's National People's Congress Standing Committee, here this evening. The Sri Lankan delegation will leave here for South China tomorrow.

PRC AT TELECOMMUNICATION WORKSHOP IN NEPAL

OW021719 Beijing XINHUA in English 1426 GMT 2 Sep 86

[Text] Katmandu, September 2 (XINHUA) -- An international workshop of computer aided telecommunication network planning was held here with 30 participants from 12 Asian-Pacific countries. "THE RISING NEPAL" reported today. The workshop was sponsored jointly by Nepal Telecommunications Corporation and International Telecommunications Union.

The attendants are from Afghanistan, Bangladesh, China, India, the Maldives, Nepal, Papua New Guinea, the Phillippines, Singapore, Sri Lanka, Thailand and Western Samoa.

At the inaugural function of the workshop yesterday, Hari Bahadur Basnet, Nepalese minister for works, transport and communications, stressed the significant role played by communications and the cooperation of friendly countries. He said that his government has given priority to developing telecommunication in the country.

ULANHU MEETS PAKISTANI JOURNALISTS" DELEGATION

OW030742 Beijing XINHUA in English 0648 GMT 3 Sep 86

[Text] Beijing, September 3 (XINHUA) -- Chinese Vice-President Ulanhu met a delegation from the ASSOCIATED PRESS OF PAKISTAN led by its director Farooq Nisar here today. The delegation, which arrived here Tuesday, will tour Beijing, Nanjing, Guangzhou and Shenzhen.

RENMIN RIBAO ON DEADLOCKED AFGHAN WAR SITUATION

HK290645 Beijing RENMIN RIBAO in Chinese 26 Aug 86 p 6

["Commentary" by reporter Shi Zongxing: "War in Afghanistan Remains Deadlocked"]

[Excerpts] Islambad, 25 Aug -- Since the beginning of summer, the war situation in Afghanistan has remained deadlocked. The Soviet Union's promise to withdraw six regiments from Afghanistan by the end of the year has not brought about any change in the Afghan war situation.

In fact, the military activities of the Soviet and Afghan Armies have not decreased but continuously strengthened. There has been no replay of large-scale attacks with 10-20,000-strong forces mobilized as of two years ago. But medium-sized and small-scale attacks organized on a regiment and battalion basis have been more frequent than before. There has been increasingly frequent use of the tactic of splitting up and fighting guerrilla walfare with "shock brigades." The line along which attacks are made has also been stretched longer than during the spring offensive, with strengthened military pressure apparently brought to bear on the guerrilla forces in some western, southern and northern provinces. From early June to mid-August, fierce fighting took place in such areas as Herat, bordering on Iran, Qandahar and Helmand in the south, Lowgar, south of Kabul, and so forth.

The Soviet and Afghan armies have also strengthened the military invasion of the Pakistan border areas and terrorist activities there, constantly subjecting the peaceful residents and Afghan refugees in a northwestern border province and Baluchistan to serious losses, of life and property. Explosions have regularly taken place in Peshawar, capital of a northwestern border province, in the past 2 or 3 months. A lot of evidence shows that this is the work of agents of the Soviet Union and Kabul authorities. The aim of such intrusive and terrorists activities is to force Pakistan to make concessions in political negotiations.

After the change of government in Kabul in early May, the Soviet Union vigorously worked on expanding their social basis of the bogus government giving it the complexion of being "widely representative." As soon as Najibullah replaced Karmal in office, he directed vigorous efforts towards military affairs. First, he recruited soldiers in a forcible manner. Second, he "strengthened political work among army units" in an attempt to reorganize quantitatively and qualitatively the government Army which was in a shambles. Najibullah's intentions are self-evident. They are still based on the use of military means to check and suppress the guerrilla forces.

The resistance force has remained very firm in its belief in fighting for independence and freedom. It has made known its determination to fight until the total withdrawal of Soviet troops from Afghanistan. Since the beginning of summer, guerrilla forces in various areas have achieved fruitful results in their resistance efforts. [passage omitted]

While there is a continuous deadlock in the war situation, indirect Geneva talks on a political solution to the Afghan issue have also shown no progress. At the eighth round of negotiations which ended in the first half of August, there were wide gaps between the stands by both sides on such a crucial issue as the time schedule for the withdrawal of Soviet troops. Pakistan thought that since several tens of thousands of Soviet troops entered Afghanistan overnight, then to carry out the evacuation in a few months should be no problem. But the Soviet Union and the Kabul regime have stubbornly insisted that a period of several years is required. What is significant is that this eighth round of negotiations held after the Soviet "partial withdrawal of troops" announcement.

On the one hand, an offensive is being continuously strenghtened on the battlefield. On the other, political conditions favorable to itself are being continuously sought with persistence at the negotiating table. These two facts show that the Soviet Union's recent "relaxation" toward the Afghan issue is unusually limited.

TA KUNG PAO ON CHINA'S TOP MILITARY ACADEMY

HK030319 Hong Kong TA KUNG PAO in Chinese 2 Sep 86 p 3

["Newsletter From Beijing" by Kai Wang-min and Tai Hsing-min: "A Visit to China's Highest Military Academy"]

[Text] China's first highest military academy -- the PLA National Defense University -- is located at western suburb of Beijing. This is a general and unified military command training university whose aim is to train senior commanders, senior staff officers and senior research personnel.

Three Subsidary Institutes Installed With Top Facilities

Occupying a total area of more than 140 hectares, the university has three subsidary institutes. The first institute was built at the foot of the western hills and is the site of the institutes' administrative office. The second one is located not far from the scenic Shijing Shan. The third one is in Changping County, a satellite town of Beijing.

Upon entering the first institute, we felt that we had come to a tranquil park. Amid green trees and flowers there stood a grey building in traditional Chinese style. This area was the quarters of the students as well as the teaching area. The most striking building in the area was a "b" shaped ivory building, the newly-opened library, occupying an area of 8,000 square meters. According to the introduction, the main library and its subsidary libraries house over all some 1.3 million books, 1,400 PRC newspapers and journals, and 170 newspapers and journals from Hong Kong and Macao, as well as in foreign languages. There were eight reading rooms and over 30 cubicles. If a student wants to study a certain topic, he can schedule to have a cubicle prepared by telephone. Workers of the library would provide the materials required, and the student could work in his cubicle every day until he completed his study of that topic.

In the audio-visual teaching center, we saw a computer teaching system with international advanced standards. This system, which is able to simulate the battlefield of future wars, was specially designed for command training in modern wars. Commanders of the belligerent parties manned their posts and devised strategies that would assure victory far, far away using this system and application software developed by the university. The computer can automatically make a scientific judgement on the commanders' strategy and war command skills. This kind of equipment can effectively help students improve their command ability and level of strategy.

It was learned that the National Defense University would build a 4,000-square-meter audio-visual teaching center next to the library. The drawings of the building have been completed, and the university was clearing the construction site. Experts held that the teaching equipment of the National Defense University was rather advanced in the world.

The Unusual Faculty of National Defense Studies

In the National Defense University there is a faculty of national defense studies, a faculty of advanced studies, a faculty of basic studies, a post-graduate college and teachers training classes. But the faculty of national defense studies was the most unusual one. It was learned that the faculty had three characterstics: [paragraph continues]

First, all its students are ranking military officers at and above army level, including ranking military officers of military regions; second, for the first time in China's history of military education, local leaders also participate in the study; and third, it adopts the study method of conducting research.

Offer Consultation Service to Ranking Decisionmakers

The chairman of the faculty of national defense studies then led us into a newly whitewashed 3-story building, which will be the place where the faculty's first year's students study and live.

The chairman said: The main task of the faculty of national defense studies is to study issues on national defense. There will be a special topic for each term. At the same time, the faculty also offers a consultation service to the decisionmakers of the CPC Central Committee. Three-quarters of this year's students, who are also first year students, are high-ranking military officers; whereas one-quarter of them are leading cadres at and above department level from the central and state organs, as well as cadres at and above bureau level from provinces and cities. In addition to undergoing military training, the students will focus on the international strategic situation as well as the security situation in the Asia-Pacific region.

When the studies come to an end, every student must hand in a thesis which should include farsighted viewpoints and which will be taken by organ decisionmakers as reference materials. The university will also make preparations for their overseas inspections.

It was learned that among the first year students, the highest officers included military region deputy commanders and provincial leaders.

In addition to the faculty of national defense studies, the faculty of advanced studies and that of basic studies also recruited new students this year. Most students of the former were military officers at and above group army level. Their objective of study is to keep abreast with new knowledge. The main task of the faculty of basic studies is to train group army leaders, and senior staff officers of military regions and headquarters' leading organs. The first year's teachers' training classes, which are attended by 85 university graduates, has started. The main aim of the classes is to train teachers for the university. The post-graduate college will start recruiting masters' degree candidates in military science next year.

Run More Than 100 Courses

The responsible person of the university's education adminstration revealed: According to the university's education program, the National Defense University should run more than 100 courses, including more than 30 elective ones in addition to the English, Russian, Japanese and other foreign language courses. It was learned that General Zhang Zhen, chancellor of the university, as early as the construction period, demanded "high, new extensive and intensive" regarding the compilation of teaching materials. General Zhang Zhen held that the so-called "high" meant that we should focus on high-level training which stresses strategy and campaigns. The demand for "new" meant that we should predict possible changes in strategy, campaigns, military tactics and operations resulting from changes in the world's technology and equipment by early 21st century. We should constantly use the world's science, technology, as well as the latest information on military science, to update and augment the course content. [paragraph continues]

The demand for "extensive" meant that we should study information about: The Army, Navy and Air Force, which are needed by commanders in a campaign; the military; politics; logistics; and the necessary modern scientific knowledge. The demand of "intensive" meant that we should highlight a focal point and discuss it in an in-depth way. For example, in this term, the faculty of National Defense studies only focused on international strategic issues. The focal point was on the security situation of Asia-Pacific region. On this topic, the students prepared relevant materials with some 500,000 characters in length.

Teaching and Scientific Research Center

There is a Scientific Research Department in the National Defense University, acting as a think tank for the university. Not only was it responsible for organizing the whole university's military and scientific research work, but it also undertook research tasks given by the Central Military Commission and the military headquarters. It therefore acted as a consultative body of supreme command departments' decisionmakers, and made the National Defense University become China's military teaching center and military science research center. Under it were institutes such as the Strategic Research Institute and the Army Building Research Institute. The Scientific Research Department not only had high-standard professional researchers and part-time researchers, but also hired a number of contract resarchers within and outside the Army. It also established comprehensive and close contacts with various military science associations across China.

According to the responsible person of the Scientific Research Department, the department recently formulated a plan for accomplishing more than 80 works within 5 years, which involve eight areas such as military ideology, the science of strategy, science of campaigns, science of military systems, science of military mobilization and military logistical science.

PLA COMMERICAL VENTURES CAUSE LOSSES

HK030301 Hong Kong MING PAO in Chinese 28 Aug 86 p 5

["Special Dispatch From Beijing": "Armed Forces Suffer Heavy Losses in Operating Commerical Ventures"]

[Text] Officers and soldiers of the armed forces in each locality in China have begun to feel that they just cannot tolerate the prodigals in the Army any longer. Moreover, public opinion has increasingly demanded that those people who neglect their duties be disciplined.

A report in JIEFANGJUN BAO says: "Recently, departments concerned have confirmed that the losses directly caused by commerical ventures in the whole Army are enormous and appalling and that the loans contracted by the commerical units for goods which are now held in stock for long periods are almost as much as the sum of direct losses."

The report also says: "An authoritative person said that the main cause of the grave economic losses is that most of the commerical units do not know about business or have the necessary knowledge of economics and civil law and are, therefore, gullible in economic activities. As many units do not go through the procedure of consultation and notarization, they are often either taken in by unscrupulous persons or sign invalid contracts. Some are fined for not observing contracts. [paragraph continues]

And some units violate party discipline and state law by engaging in illegal economic activities."

This authoritative person said that in July of this year, a leader of the business section of the political department of a military region signed a contract without permission with a company in Shenzhen formed by several children of senior cadres and was defrauded of over 1.6 million yuan. It was discovered later that this company had already gone bankrupt and these lawless children of senior cadres had left for foreign countries with the money.

He said that the leaders of some departments concerned are very bureaucratic and derelict in their duty and should be held directly responsible for some grave economic losses. Some units even brazenly employ unscrupulous local people to engage in business activities and therefore inflict grave losses on the army. A multiple service company appointed two ex-convicts as business managers and gave them work certificates. These two persons wantonly conducted swindling activities and signed over 100 agreements and contracts totaling 9.8 billion yuan or over $2.63 billion.

It has been disclosed that the incidence of soldiers doing business has been basically checked and that departments concerned are now vigorously sorting out the illegal companies and investigating the economic criminals. However, the grave economic losses caused by the commercial ventures are still angering and grieving those officers and soldiers who know about it. Public opinion raises the worry that punishing only the economic criminals will surely not prevent the army from incurring grave economic losses in the future. It is generally believed that those persons who are seriously bureaucratic and derelict in their duties and have caused grave economic losses should be investigated and assigned the criminal responsibility. However, this seems to be quite difficult as "the responsibility of party committees" is often the protective talisman of the culprits.

Recently, Shi Jian, chief procurator of the PLA Military Procuratorate, pointed out at a vocational meeting that the losses caused by serious dereliction are often equal to those caused by crimes like corruption, bribery, and so on. He stressed that the cases of dereliction must be earnestly and seriously investigated and handled. It is imperative not to regard the crimes committed in performance of duties as work errors, thus turning big problems into small problems and small problems into no problems at all and allowing criminals to remain at large.

BEIJING RADIO ON REFORM OF POLITICAL SYSTEM

OW020851 Beijing Domestic Service in Mandarin 2215 GMT 29 Aug 86

[Text] Listeners-friends, how are you? On this program today, we will first discuss the question of reforming the political system and then several questions regarding the labor contract system.

[Female voice]: On several occasions recently, Comrade Deng Xiaoping called for studying the question of reforming the political system. I do not know much about this question. Would you discuss this question with us?

[Male voice]: Sure. Let us study this question together.

[Female voice]: The question of reforming the political system was raised at the 3rd Plenary Session of the party's 11th Central Committee. In recent years, we have adopted a series of measures to develop socialist democracy and strengthen the socialist legal system. And we have also reformed the party and state leadership system and the cadre system to some extent, making many achievements. It should be said that with the correct leadership of the party Central Committee and a political situation characterized by unity and stability, we should now devote our main energies to the reform of the economic structure and four modernizations. Then why should the question of reforming the political system be raised?

[Male voice]: We should look at this question this way: Reform is a most complicated project of social system engineering. In the social system, economics, politics, and culture are three sybsystems at different levels. Economics, politics, and culture are interdependent, are mutually conditioned, and promote each other, forming an organic whole. None of the subsystems can exist or develop without the social system. By the same token, the economic reform cannot be carried out independently without political and cultural reform.

[Female voice]: True, economics is the base, and politics is a concentrated expression of economics; the economic base determines the superstructure, which in turn serves the former. This is the basic Marxist view on the relationship between economics and politics.

[Male voice]: Of course, the economy is the foundation of a society. And politics, culture, and other components of the superstructure are determined by the economic base and serve it. On the other hand, however, once politics in the superstructure take shape, it becomes an established practical force. The effect of politics on economic development can work in the same direction as that of economic development, promoting a rapid development of the economy. It can also work in the opposite direction to hinder development of the economy.

[Female voice]: It is true. For example, the 10-year-long Cultural Revolution disastrously affected the development of the economy. At present, what are the unfavorable effects of the political systems on economic development?

[Male voice]: A comprehensive review of the economic reform in the past few years makes people feel that there are numerous obstacles. Because of misgivings and obstacles, people who are enthusiastic about reform are cought in a dilemma. Many reformers have even been discharged from their posts and prosecuted for no reason. This is a reflection of the existing political system's restrictions and of the influence of traditional ideas. Traditional ideas hinder the development of reform through political power as the central link. It can be said that the current management system, characterized by the overconcentration of power and the resultant bureaucratism, has become a serious obstacle to deepening the reform of the economic structure.

[Female voice]: Would you discuss the defects of the current political system in concrete terms?

[Male voice]: In my opinion, it has the following main problems:

1. In our current political system, the functions of the party are not separated from those of the government, and the former substitutes for the latter. This has weakened the functions of administrative organs to a serious extent. For example, many administrative, legal, and social problems should be handled by the state or government through economic, legal, social, or educational means. If the party interferes too much, it will result in rigid and exccessive control which may even weaken the party's leadership when something goes wrong.

2. Organizations are unwieldy and overstaffed, and old bureaucratic practices prevail; they are dilatory and even counteract each other's efforts in their work. Bureaucratism prevails to a serious extent. There are barriers between departments and regions where many people have nothing to do and stay idle. Or they try to find something to do in order to keep power in their hands. This has seriously hindered the improvement of economic results and the development of the commodity economy. Thus, they have become obstacles to reform.

3. There is still the pernicious influence of feudalism on our political life. Patriarchal ways are practiced, and one person alone has the say on everything. What is lacking is democracy and a scientific approach. Networks of complicated relationships by blood and marriage exist among the cadre ranks: They practice a hereditary system in disguised form, from cliques, and abuse their powers to seek personal gains, with pronounced feudalist and patriarchal color.

In addition, in the eyes of some cadres, political status is higher than intellectual status, and they take the dogmatic attitude of believing that what a superior says counts; of being bookish, or worshiping things foreign, but not being realistic.

It is precisely these defects of the political system that have dampened the enthusiasm, initiative, and creativeness of reformers and large number of people in carrying out the economic reform. As a result, the reform of the economic structure, which should have been carried out vigorously, has a considerable extent lost its vitality.

This shows that the existing political system can no longer meet the needs in the developing of reform and the commodity economy. As a matter of fact, when the reform of the economic structure develops to a given extent, it will necessitate the reform of the political system. The superiority of the socialist system cannot be brought into full play, not merely because of the imperfect political system. When the reform of the economic structure just started, remarkable achievements were made relatively fast in reforming the defects of the economic structure without touching the political system. However, to deepen the reform of the economic structure, it has to touch the political system. If the reform of the economic structure is carried out alone, without the reform of the political system, it will be impossible to deepen the economic reform; and the achievements of the economic reform cannot be consolidated, either.

[Female voice]: True, only with political guarantees will it be possible to carry out the economic reform smoothly and consolidate its achievements. Many of the achievements we have made in the reform of the economic structure in recent years are lost because of defects in the political system. For example, giving greater decision making powers to enterprises and increasing their vitality are important aspects to the economic reform, and official documents requiring the implementation of these measures were issued. In some localities, however, such powers are taken back from lower levels in various ways. This cannot but affect the initiative of enterprises.

Again for example, developing commodity production and invigorating the economy are the central links in the reform. In the name of strengthening macroeconomic control in some localities, however, rigid and excessive economic control is exercised.

Remarkable achievements have been made by enterprises in the implementating various forms of the economic responsibility system. However, in the name of opposing unhealthy trends, responsibility systems are abolished and the practice of everyone eating from the same big pot is restored in many localities.

All this shows that the economic mechanism formed through the reform can normally operate only under an improved political system.

[Male voice]: Our reform is an all-around one. It can be said that whether or not the reforms in various fields can succeed depends finally on the reform of the political system. By reforming the political system, it is a self-renewal and self-perfection of the socialist political system to meet the need for deepening the reform of the economic structure. This is also necessitated by the sound development of the political system.

[Female voice]: It seems that it is imperative to reform the political system. Then, what is the central task of this reform?

[Male voice]: The main defects in our current political system are feudalist elements, which are also the biggest obstacles to the reform of both the political system and the economic structure. For this reason, the central task of this reform is to eliminate the pernicious feudalist influence, to do away with bureaucratism, to change rule by people to rule by law, and to institute a socialist political system characterized by a high degree of democracy. The people's status as masters of the state and enterprises can be guaranteed only by democratizing state administration, economic management, and social life in a scientific way and by having the people's aspirations fully reflected in political and economic policy decisions. Only by writing socialist democracy into law and institutionalizing it and giving full play to people's initiative and creativeness in political, economic, and cultural development will it be possible to insure the deepening of the economic structural reform and to eventually realize socialist modernization.

PLANE'S HIJACKERS APPREHENDED, EXCECUTED

HK010819 Hong Kong AFP in English 0743 GMT 1 Sep 86

[Text] Hong Kong, Sep 1 (AFP) -- Three or four Chinese were executed for attempting to hijack a plane from northeastern China to South Korea in early August, a newspaper reported here Monday.

The hijackers seized a plane operated by the Chinese flag carrier, the Civil Aviation Administration of China (CAAC), which was flying from Shengyang in China's northeastern province of Liaoning to Hefei in the eastern province of Anhui, the pro-Taiwan newspaper the HONG KONG TIMES reported.

The newspaper said the pilot had managed to "cheat" the hijackers and land the plane at its scheduled destination of Hefei, where the hijackers were detained and several days later shot by the authorities.

The hijackers, whose exact number or identities were not known, had demanded to go to South Korea. A Hong Kong traveller who recently returned here from Anhui was quoted as having said he had learned of the incident from senior officials in Anhui.

The newspaper did not say whether the hijackers had been armed or whether they had been tried before execution. (In Beijing, a CAAC spokesman said he had no knowledge of the incident, while officials at Hefei airport said they were "not very clear about this.")

NATIONAL TRADE, COOPERATION SEMINAR ENDS

SK022218 Harbin Heilongjiang Provincial Service in Mandarin 0900 GMT 1 Sep 86

[Excerpts] The National Lateral Economic Cooperation and Trade Seminar sponsored by Heilongjiang Province on invitation in Harbin City, which concluded on 1 September, scored unexpected achievements.

That morning (Quan You), deputy secretary general of the provincial People's Government, announced at the press conference that at the seminar the province signed contracts, agreements, or letters of intent consisting of 2,095 cooperative items with the units concerned of various circles. Of these items, 1,023 are for economic cooperation and 1,072 concern technological coordination. Total investment in these projects will reach more than 660 million yuan, and funds introduced in these projects total more than 450 million yuan. Under these items, 55 new economic associations will be established.

Since the opening of the seminar on 25 August, more than 7,000 personnel, including representatives from 28 provinces and municipalities throughout the country and the provincial personnel attending the seminar, have respectively made extensive contacts, regardless of their level, and by adopting various methods and channels. In line with the current situation in industrial and agricultural production, they actively held talks on cooperative items that consist of the projects of mutually developing the mineral sources of coal, petroleum, and graphite in eastern Heilongjiang and mutually building production bases for soybeans, flax, and animal husbandry in this area. Thus, at the seminar, the sphere of lateral economic associations has been expanded from the industrial circles to the circles of agriculture, commerce, science and technology, and education. Work to seek long-term cooperation in economic strategies has achieved new development. [passage omitted with indistinct portions]

At the seminar, the representatives stated that efforts should be made to try hard to implement the agreements on intent and to consolidate and develop through continuous contacts and cooperation the established economic and technical ties across regions, trades, and departments. On the solid foundations laid at the seminar, they pledged to continuously exploit the results achieved.

FOREIGN INVESTMENT SOUGHT IN IRON, STEEL

OW030210 Beijing XINHUA in English 0150 GMT 3 Sep 86

[Text] Dukou, September 3 (XINHUA) -- Panzhihua, southwest China's largest iron and steel industrial base in Sichuan Province, is now seeking foreign investment for its expansion, a local official said here today.

Lin Minwei, an official of the iron and steel complex, said the complex has held talks with 30 companies from 11 foreign countries and regions on 14 projects to be imported. Known as Dukou City in the southern Sichuan Province, the Panzhihua iron and steel base was built in late 1960's and the 1970's as part of China's effort to prepare against war.

The first phase of its construction, which was built by the Chinese themselves, has gone into production and the second phase began in January this year. Lin said that the second stage, with an investment of three billion yuan (about 81 million U.S. dollars), will form, upon completion in 1992, a capacity of producing 2.8 million tons of iron, 2.5 million tons of steel and 2.16 million tons of rolled steel annually. Covering an area of 7,500 square kilometers, the Panzhihua area has 50 verified mineral deposits scattered in 1,500 places.

PILOT STRUCTURAL REFORM PROGRAM IN 16 CITIES

HK030527 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0858 GMT 28 Aug 86

[Text] Beijing, 28 Aug (ZHONGGUO XINWEN SHE) -- News from the State Commission for Restructuring Economic System says that the State Council has approved selection of 16 medium cities including Jiangmen, Suzhou, and Xiamen as the first batch of cities where pilot projects on structural reform are to be carried out.

The structural reform which focuses on changing the government's functions in administering the economy is an important part of the reform of the economic system in China and is also an important condition that promotes and ensures the smooth development of the various reforms in other spheres. Selecting some medium cities to carry out pilot projects for this reform is aimed at exploring the way for the structural reform throughout the country.

It is said that the major tasks in this reform are: To strengthen the comprehensive economic administrative departments and the economic regulatory and supervisory departments; to streamline and merge specialized administrative organs; to reset the limits to urban governments' administrative power, to conduct a reform in personnel system in coordination with the reorganization of government offices and to explore a rational way for the division of labor between the party and government.

The goal for this reform is: Through the reform, there should be a clear division of responsibility and rational division of labor among various government organs; these organs should operate in harmony in a flexible and highly efficient way; government administration should gradually become scientific and modern and be governed by our legal system; we should set up an integrated government administrative system that meets the demands resulting from the development of our planned commodity economy and that covers all aspects of the work including the making and implementation of policy decisions, economic regulation, inspection, supervision and the provision of information advisory services; and we should actually switch from direct to indirect administration of the economy.

A senior official of the State Commission for Restructuring the Economic System said that the structural reform had not only to break the huge and rigid government administrative system that took shape over many years, and change and readjust the existing economic relations, but had also to fiercely combat longstanding traditional ideas and the force of habit. Such a grand reform will surely rouse different responses in various spheres and encounter all kinds of difficulties.

HU YAOBANG INSPECTS QINGHAI PROVINCE 19-30 AUG

OW311432 Beijing XINHUA Domestic Service in Chinese 0131 GMT 31 Aug 86

[By reporters Nan Zhenzhong and Jiang Peng]

[Text] Xining, 31 Aug (XINHUA) -- From 10 to 30 August, Hu Yaobang, general secretary of the CPC Central Committee, inspected various localities in Qinghai Province. He called on the leading cadres of all nationalities in the province to work with one heart and one mind, to maintain close touch with reality, to peristently carry out reform, and go all out to forge ahead and make contributions to building Qinghai.

Qinghai is a vast province with an area equal to that of seven Jiangsu Provinces. It has rich natural resources that still await development. In July 1983, Hu Yaobang toured Qinghai for 10 days, and delivered a lengthy speech, entitled: "Be Determined Like the Foolish Old Man in Opening Up Qinghai Province."

On 19 August this year, Hu Yaobang once again came to this elevated, cold, and remote province. He went south to the Huangnan Tibetan Autonomous Prefecture, where the first curve of the 9-twist Huang He is located. Braving the strong winds and cold weather on the plateau, he crossed the 3,800-meter high snow-capped Dabanshan Pass, and visited the Haibei Tibetan Autonomous Prefecture in northeast Qinghai. The general secretary showed particular concern over the Yushu and Golog Tibetan Autonomous Prefectures, where the Chang Jiang and the Huang He originate. When Hu Yaobang met with the cadres of these two prefectures in Xining, he made a detailed inquiry about the natural conditions, economic situation, and herdsmen's life in the pastoral areas in the region where the Chang Jiang and the Huang He originate. Hu Yaobang also rode a westbound train through the Qaidam Basin, toured Golmud, the new city near Gobi, and inspected the side on which according to plans, the Golmud Oil Refinery will be built. He highly praised Golmud for its role in developing the Qaidam Basin and connecting Xizang with China's inland provinces. He lauded the people in Qinghai for their tremendous contributon to opening up China's greater northwest by building this new city in this wilderness.

During his 12-day inspection tour, Hu Yaobang made a long and difficult journey on a plateau with a high elevation of 2,000-3,000 meters. He travelled more than 1,800 kilometers, and visited the rural areas, pastoral regions, and industrial and mining districts. He talked freely with the responsible cadres of all nationalities of the Qinghai Provincial CPC Committee, the provincial government, and the eight prefectures (prefectures and cities) and 17 counties. He discussed issues of economic development, the people's life, structural reform, and the development of spiritual civilization. On 27 August, Hu Yaobang delivered an important speech at the meeting of Qinghai's party, government, and Army leading cadres.

Comrade Hu Yaobang said: What I saw and heard during my tour this time indicated that new progress has been made in accomplishing all aspects of work in Qinghai as compared with 3 years ago. Marked improvements have been made in people's living standards. Cadres' understanding of policy has been greatly enhanced. What particularly merits mentioning is the fact that younger cadres have smoothly succeeded those of the older generation in leading bodies from the provincial level to the county level. I have met with many newly promoted comrades. They are in the prime of life and they have a wide range of knowledge. They are full of vigor and pioneering spirit. In this respect, we should be elated. Our veteran comrades, particularly those who have retreated to the rear, must enthusiastically support them in their work.

If the younger comrades have actually committed errors and developed shortcomings, we must proceed from the viewpoint of taking good care of them, and actively help them. Under no circumstances should we repeat the mistake we committed in the past in frequently overthrowing people at will. Many veteran comrades have worked hard in Qinghai for several decades. Their glorious achievements will forever remain in the annals of Qinghai. We must take good care of them.

On the strategy of developing Qinghai's economy, Comrade Hu Yaobang said: In what way can a province develop its economy? This is a question that the leadership of that particular province should constantly ponder and repeatedly wrestle with. On this question, he expressed his views as follows:

1. Qinghai must give animal husbandry a higher and more important position than it currently does. Every prefecture and county must pay full attention to developing animal husbandry. Agricultural districts are no exception. The concept of completely separating the agricultural district from the pastoral district or the forestry district is outmoded. In order to develop animal husbandry, it is necessary to pay full attention to the improvement of animal breeds, the development of grasslands, and the processing of animal products. On the basis of the actual situation in Qinghai, we must build artificial grasslands in a down-to-earth manner. At the same time, we must also grow grass and plant trees on barren mountains and lakeshores, and expand the area of grasslands in a more economic way. As far as the whole country is concerned, animal husbandry remains a weak link. As one of the five major pastoral regions in China, your Qinghai should put forward a clarion call: Party and government leading cadres must understand animal husbandry, and cadres who are engaged in agriculture and animal husbandry should become experts in pastoral production.

Second, it is necessary to plan a few key projects to develop Qinghai's prominent resources such as petroleum, natural gas, salt from salt lakes, and waterpower. With the government's help, Qinghai Province should bring in capital and technology from foreign countries or from other parts of China to develop some large-scale and efficient projects within a few years or a dozen years, for this will certainly accelerate the province's economic development. In developing local industries and town and township enterprises, Qinghai should not mechanically copy the experiences of the coastal provinces in east China, but should plan development of such industries and enterprises in light of local conditions. Because Qinghai Province lacks capital and technology and because the market is small in this province, you should proceed cautiously in developing rural enterprises. I endorse your plans to exploit local resources by setting up some small-scale animal products processing factories and small coal mines, but I suggest that you organize the masses to collect edible and other raw materials from the wild. Gathering such materials looks very promising as there are many useful things on the plateau, such as insects, grass, ferns, mushrooms, and bulbs of fritillaries.

Third, it is necessary to boldly open to the outside world and vigorously bring in capital, technology, and qualified personnel. We have said before that there are two ways to open to the outside world: The first is opening to other provinces and the second is opening to foreign countries. In this respect, Qinghai comrades should further emancipate their minds and take bolder steps forward. They should take the initiative in developing lateral economic ties with other fraternal provinces and cities and in promoting exchanges with developed areas, with no fear of suffering "losses." The purpose of this is to supply the other's needs and promote one another. To eliminate backwardness, you must pay a price. In bringing in qualified personnel, you should look for college or technical secondary school graduates with specialized knowledge.

Besides, you should also absorb a large number of skilled workers and technicians from the eastern provinces, because they will bring technology, information, and expertise in commodity production. You should welcome them to settle in Qinghai Province.

Comrade Hu Yaobang said: To develop Qinghai, it is necessary to display a higher spirit of self-reliance and industriousness. In recent years, state support for remote border areas cannot be said to be little. Current state subsidies for Qinghai plus its own revenues amount to more than 1 billion yuan annually. You should use this sum of money in a planned way, trying to concentrate on building a few important projects each year, and should not spend it in a fragmented way.

In his talk Comrade Hu Yaobang also made some important suggestions regarding the current reform. He said: Tremendous results have been achieved in economic reform in the countryside, while reform of the economic structure in urban areas has not only made a good start but has also yielded results. Reform is an irreversible historical trend in China, but we should not overestimate the success of urban reform. An outstanding problem now is that some local and departmental leaders, who fell short of the development of the situation, are slow to act. The party Central Committee and the State Council have long made decisions on certain things, but not all of these decisions have been put into effect. For example, the leasing of small enterprises. Premier Zhao Ziyang clearly explained this system in his government work report a few years ago, but last year some localities did just the opposite. The situation has improved this year after they were reminded by the party Central Committee. As Qinghai is a vast province with a small population and as its residents consist of many nationalities, it should not mechanically copy the systems of commerce, medical, and health services of other inland provinces. Instead, it should undertake bolder reforms in light of local characteristics.

Comrade Hu Yaobang said: The central authorities have been considering how to closely link economic reform with political restructuring. For years over-centralization and too rigid control have been a big problem of our administrative system. In August 1980 Comrade Deng Xiaoping pointed out incisively in his article "On the Reform of the System of Party and State Leadership": "Our leading organs at various levels have taken charge of many matters which they should not and cannot handle, or cannot handle efficiently. These matters could have been easily handled by the enterprises, institutions, and communities at the grass-roots level, provided we had proper rules and regulations and they acted according to the principles of democratic centralism. Difficulties have arisen from the custom of referring all these things to the leading organs and central departments of the party and government: No one is so versatile that he can take on any number of complex and unfamiliar jobs. This can be said to be one of the main causes of the bureaucracy peculiar to us today." Without solving this problem and decentralizing powers, it would be difficult for economic reform to take a step forward, and its achievements would be hard to be consolidated.

Hu Yaobang said: This remark made by Comrade Deng Xiaoping has been discussed and endorsed by the Political Bureau of the CPC Central Committee. It is a programmatic document in guiding China's political structural reform. Leading cadres at all levels must study this remark once again, and extensively carry out reform in close connection with the actual situation in their own area and department.

Comrade Hu Yaobang said: The 6th Plenary Session of the 12th CPC Central Committee will be held soon. It will discuss and adopt the decision of the party Central Committee on the guidelines for socialist spiritual civilization. The draft of this decision has been discussed and endorsed in principle by the Political Bureau of the CPC Central Committee.

Views are now being solicited from members of the party groups and Standing Committee members of the party committees of various provinces, municipalities, and autonomous regions as well as party leaders of the central and state organs and various ministries and commissions. I believe this decision, as an epitome of the party's collective wisdom, will profoundly influence the development of China's socialist spiritual civilization in the same way that the decision on economic structural reform adopted by the 3d Plenary Session of the 12th CPC Central Committee vigorously spurred on China's material civilization. You must earnestly study this decision after it is examined and adopted by the plenary session of the CPC Central Committee. Right now, party committees at all levels must pay full attention to developing spiritual civilization in close connection with the actual situation in their own locality. In Qinghai we must pay particular attention to several things.

-- We must further strengthen unity among all nationalities. Right now, relations among people of various nationalities in China are good. Qinghai is no exception. From now on, we must open the area inhabited by people of one nationality to people of other nationalities; promote exchanges in all fields and strengthen cooperation and mutual assistance among people of all nationalities; and consolidate and develop a new type of socialist relation among various nationalities in the course of developing economy and culture.

-- We must understand and implement the party's policy on religion in an overall manner. Our party's long-term policy is to allow people to enjoy freedom in religious belief; protect, according to the law, the normal religious activities of the masses; and unite with all patriotic personages of the upper religious circles. At the same time, we must also point out: It is necessary to gradually change, after full discussion of and in accordance with the wishes of the masses, those bad customs and habits that prevent the nation from becoming prosperous and the people from becoming rich and those bad customs and habits that are harmful to developing the new types of civilization. In the meantime, we should also safeguard the positive achievements in the past in carrying out reforms.

-- The broad masses of cadres must take the lead in observing party discipline and state laws. Qinghai's economy is not developed, and the province has long been hard to reach. Particular attention must be paid to educating cadres at all levels to extricate themselves from the pernicious influence of feudalism, to foster the concept in promoting socialist democracy and strengthening the legal system, and to consciously act according to state laws and party discipline.

In conclusion, Comrade Hu Yaobang said: Right now, we do not have much wealth in our country, although our nation is large. Therefore, first, we must never become arrogant. Second, we must not relax our efforts. All of us must go all out to make the country strong, and work hard to forge ahead. In this way, there will be bright prospects for our country and our nation, and there will be a bright future for Qinghai.

HU YAOBANG, OTHERS PAY LAST RESPECTS TO LIU DING

OW030439 Beijing XINHUA Domestic Service in Chinese 1246 GMT 2 Sep 86

[Excerpts] Beijing, 2 Sep (XINHUA) -- A memorial ceremony was held in the auditorium of the Babaoshan Cemetery for Fallen Revolutionaries in Beijing this afternoon to pay last respects to the late Comrade Liu Ding, who was a loyal communist fighter and outstanding member of the Communist Party of China.

Comrade Liu Ding was a member of the Standing Committee of the CPPCC 6th National Committee and an advisor to the former Ministry of Aviation Industry. He died of illness on 25 July 1986 in Beijing at the age of 83. Attending today's ceremony were leading comrades and comrade Liu Ding's friends, totalling more than 800 people. They included Comrades Hu Yaobang, Xi Zhongxun, Yang Shangkun, Yao Yilin, Deng Liqun, Wang Zhen, Bo Yibo, Song Renqiong, Liu Lantao, Xiao Ke, Chen Xilian, Duan Junyi, Huang Zhen, Han Guang, Huang Hua, Lu Zhengcao, Wang Guangying, and Ma Wenrui. [passage omitted]

Comrade Liu Ding was a founder and one of the principal Leaders of our country's military industry. His passing away is a great loss to our party and our country's science, technology, and national defense industry. Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Li Xiannian, Chen Yun, Peng Zhen, Deng Yingchao, Xu Xiangqian, and Nie Rongzhen sent wreaths. Ye Jianying and Liu Bocheng also sent wreaths.

There also were wreaths from Wan Li, Xi Zhongxun, Fang Yi, Li Peng, Hu Gili, Yao Yilin, Wang Zhaoguo, Wang Zhen, Bo Yibo, Song Renqiong, Wang Shoudao, Liu Lantao, Lu Dingyi, Cheng Zihua, Huang Hua, Zhang Aiping, Yang Jingren, Chen Zaidao, Lu Zhengcao, Deng Zhaoxing, Ma Wenrui, Qian Xuesen, Huang Kecheng, and He Changgong. When Comrade Liu Ding was critically ill, the party Central Committee showed great concern for his condition. Comrades Hu yaobang and Li Xiannian sent representatives to visit him in the hospital. Comrades Xi Zhongxun, Li Peng, Yao Yilin, Xiao Ke, Huang Hua, and Lu Zhengcao and international friend Rewi Alley also went to the hospital to visit and comfort him.

BOOK ON ORDINARY PEOPLE, CULTURAL REVOLUTION

OW020048 Beijing XINHUA in English 2358 GMT 1 Sep 86

[Text] Beijing, September 2 (XINHUA) -- A Chinese novelist is writing a book about the lives of 100 ordinary people during the tumultous "Cultural Revolution" (1966-1976), the first of its kind in China. Feng Jicai, vice-chairman of the Tianjin's Writers Association, told XINHUA today that he has been pondering such a panorama on the revolution for quite a long time.

"I would like to reflect the things which happened at the bottom of society in the revolution, and reflect the suffering and hopes of the people through their experiences," Feng said. "I also want to contribute the report to the Cultural Revolution Museum Archives," he said.

Ba Jin, chairman of the Chinese Writer's Association and the winner of the 1982 International Dante Prize, has called on the state to set up the museum to remind later generations of the suffering.

Feng, who used to be a player for the Tianjin Basketball team in the 60s, has written many novels since the Cultural Revolution. His best sellers include "The Taiping Uprising," "A Magic Lamp," and "A Magic Pigtail." Ba Jin's best-known works include the 14-volume "Writings of Ba Jin," "Family," "Spring," "Autumn" and "The Trilogy of Love."

JIANGXI PLA CONCLUDES REGIMENTAL RECTIFICATION

OW022022 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 30 Aug 86

[Text] The provincial Military District successfully ended the task of party rectification in units at and below regimental level in mid-August. A joint check conducted by the working groups of the provincial Military District and military subarea as well as party committees of the units concerned and representatives of party members showed that party rectification units had conscientiously carried out their work, brought about healthy rectification development, and fulfilled the preset goals.

In conducting the party rectification in units at and below regimental level, the provincial Military District paid special attention to the reform and streamlining of the Army, the transfer of administrative power of People's Armed Forces departments to local governments, the strengthening of party spirit, and the correction of party style. During rectification, units at Army and divisional levels sent out a total of 54 working groups comprising 123 cadres who, adopting responsibility system, did solid work in the grass roots.

The party rectification helped party members in the Army gain a deeper understanding of the situation and party's policy, firming up their conviction in the certain victory of reform, deepening their understanding of the structural reform of and the streamlining of the Army. It ensured the smooth progress of streamlining troops in units at and below regimental level of the Military District; it helped to instill the idea of subordinating themselves to the overall situation of economic construction; it helped correct guiding ideas in running the daily operation; it helped strengthen their idea on party spirit and discipline; it helped raise their consciousness of contribution to the fundamental improvement of party style. Party rectification also helped raise the quality of party members and strengthen the building of party organizations. The party rectification units achieved marked results through a persistent and close linking of party rectification with the correction of party style and streamlining troops. The administrative power of the People's Armed Forces departments of the Military District was smoothly transferred to local governments in June. During the transfer of power, party members of the military district not only stood the test but set good exemplary roles.

RECTIFICATION RESULTS IN JIANGXI UNITS NOTED

OW021916 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 29 Aug 86

[Excerpts] According to the provincial party committee's Party Rectification Office, the rectification of party organizations conducted on a trial basis at selected village-level units throughout the province has been basically completed. Marked results have been achieved in this work thanks to the efforts of party committees at all levels, their adequate preparations for the work, and their effective methods in carrying out this work.

The results can be briefly summarized as follows: First, face-to-face education was emphasized, which heightened party members' awareness of party spirit. [passage omitted] Party members of many pilot village took the initiative in doing good things for the people and in winning honor for the party.

Second, special efforts were made to rectify party work style, thus eliminating what the masses were strongly critical of. The pilot villages throughout the provinces successfully solved six prominent problems of which the masses were strongly critical. Special attention was given to straightening out financial affairs and curbing embezzling public funds and materials by abusing power; to putting an end to cadres' using public money to entertain guests and to present gifts; to eliminating the practice of building houses on arable land; to resolving factional disputes between clans; to stopping indiscriminate felling of forest trees; and restraining such unhealthy tendencies as gambling and stealing with a view to improving social order.

Third, with the strengthening of their leading bodies, party branches were able to raise their fighting capability. [passage omitted]

Fourth, implementation of the basic guiding principles for party rectification further advanced the reform and stimulated economic development. Pilot villages throughout the province, proceeding from making party rectification promote reforms and economic development, vigorously disseminated and implemented the party's various policies on rural reform and economic development. In addition, they guided party members and cadres to eliminate ideological obstacles hindering the current reform. [passage omitted] This promoted reforms and economic development in rural areas.

SHANDONG CIRCULAR HITS ILLEGAL LAND OCCUPATION

SK010711 Jinan Shandong Provincial Service in Mandarin 2200 GMT 30 Aug 86

[Text] The provincial party committee and the government recently issued a circular on strengthening land management and on banning illegal occupation of land.

The circular points out: Over the past few years, the phenomenon of illegally occupying and arbitrarily utilizing land has become very serious in some localities. The utilization of land by village and township enterprises and establishments, for rural housing construction in particular, has gone out of control. Some cases of illegally buying, selling, and leasing land have emerged. To this end, the party committee and government at all levels should educate the cadres and the masses to strengthen their sense of the legal system and policies. Furthermore, a comprehensive investigation of the utilization of land for non-agricultural use should be conducted. Utilization of land in violation of regulations should be banned immediately and dealt with according to the law. Leaders who fail to conduct effective investigations or who oppose such efforts should be called into account. While conducting comprehensive investigations, it is necessary to carry out land registration, issue land certificates, and improve land management.

The circular points out: To ban illegal occupation and utilization of land, we should strictly handle cases of illegal land occupation.

The circular calls on the public security and judicial organs to take the initiative in coordinating with land management departments to properly handle cases concerning land occupation or utilization in violation of the law. Financial and banking departments should refuse to allocate or pay funds for buying, selling, or leasing the land.

The circular calls for efforts to strictly enforce relevant state law and regulations and procedures for examination and approval of land for non-agricultural use. No departments or individuals are permitted to illegally occupy or utilize land or to employ trickery to give approval and thus exceed their authority. All villages and townships are strictly forbidden to arbitrarily occupy and utilize land or to buy, sell, and lease the land. Local governments and concerned officials should be called to account if they recklessly utilize the land or arbitrarily approve the utilization of land.

In the circular, the provincial party committee and government announce the establishment of the Shandong Provincial Land Administrative Bureau to take charge of the province's land administration in a unified manner.

The circular calls on all city, prefectural, and county people's governments to correspondingly establish land administrative organs and township governments to install full-time or part-time land administrative assistants.

SHANDONG PEOPLE'S CONGRESS OPENS MEETING

SK030138 Jinan Shandong Provincial Service in Mandarin 2200 GMT 2 Sep 86

[Text] The 21st Standing Committee meeting of the provincial People's Congress opened in Jinan on 2 September.

At the plenary session held on the morning of 2 September, the participants listened to the explanation made by Vice Governor Ma Changgui concerning the province's draft methods for implementing the PRC's law on compulsory education; the explanation made by the provincial Agricultural Department on the province's draft regulations regarding the management of crop seeds; and the explanation made by the Scince, Education, Culture and Public Health Committee under the provincial People's Congress Standing Committee regarding the province's draft stipulations on protecting the legitimate rights and interests of women and children.

Li Zhen, chairman of the provincial People's Congress Standing Committee, presided over the plenary session held on the morning of 2 September. Attending the plenary session were Xiao Han, Zhang Zhusheng, Xu Jianchun, Lin Ping, Feng Lizu, Lu Hong, Xu Sen, and Yan Qingqing, vice chairmen of the provincial People's Congress Standing Committee. Attending the plenary session as observers were Han Bangju, president of the provincial Higher People's Court; Zang Kun, chief procurator of the provincial People's Procuratorate; responsible comrades of the General Office and other departments concerned under the provincial people's government; responsible comrades of the People's Congress Standing Committee of various cities under the jurisdiction of the provincial government; responsible comrades of various prefectural People's Congress work liaison groups; and responsible comrades of some county People's Congress Standing Committees.

GUANGDONG REFORMS CADRE EMPLOYMENT SYSTEM

HK030248 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 1 Sep 86

[Text] In reforming the personnel system, we must focus on reforming the cadres' office tenure system and gradually institute the fixed office tenure system, the employment system, the [words indistinct] system, and the exchange system for cadres in state enterprises and government offices. From now on, the province must recruit, employ, and transfer cadres in strict accordance with plans. This is what our reporter has learned from a provincial conference of Personnel Bureau directors of all cities, prefectures, and counties which concluded this afternoon. It is learned that during the Seventh 5-Year Plan, the province will comprehensively institute the manager responsibility system and the target responsibility system within the office tenure. It will continue to institute the employment system in recruiting new cadres. Efforts will be made to coordinate reform so as to reduce trouble in employing cadres. Furthermore, the province will continue to properly grasp the exchange of talented people, so as to open up a new road for mountainous areas, minority nationality areas, remote areas, and township enterprises, in human resources exploitation.

The conference was held by the provincial Personnel Bureau from 27 August to 1 September in Guangzhou.

ROBBERS OF HONG KONG, BRITISH VISITORS EXECUTED

OW030718 Beijing XINHUA in English 0602 GMT 3 Sep 86

[Text] Guangzhou, September 3 (XINHUA) -- Two youths who robbed British and Hong Kong businessmen of a large sum of money were executed Tuesday.

Wang Weidong, 18, Wang Zhigang, 19 and Xue Wenyong, 19, workers in Shenyang City in northeast China's Liaoning Province, robbed two businessmen, one from Britain and the other from Hong Kong, at Yuexiu Park early in March and were arrested in April, said a judge from the Intermediate People's Court in Guangzhou.

Previously the three teenagers had been arrested or detained because of hooliganism. In March of this year, they came to Guangzhou hoping to get rich quick through illegal means.

With knives that had bought in Beijing, they had unsuccessfully attempted crimes on several occasions until on March 19th when they found their victims, the judge said.

The three followed the two victims to a quiet place where Wang Zhigang rushed to rob the British businessman of his briefcase. After seeing the robbers he tried to run away. He was accompanied by the Hong Kong businessman who appealed to the three not to harm them.

Ignoring the appeal, they robbed the Hong Kong man of his briefcase containing 1,700 Hong Kong dollars before persuing the other man. The latter's briefcase was also stolen which contained Chinese and foreign currency, traveler's checks, credit cards and a passport. During the course of the robbery Xue Wenyong knifed one of the victims in the finger. Immediately after the robbery the suspects eluded the police but were arrested in April when they reappeared in the city.

Chinese criminal code clearly states execution as a possible punishment for violent robbery. The city's intermediate court sentenced Wang Zhigang and Xue Wenyong to death by firing squad. Wang Weidong was sentenced to death with a two year reprieve, because he had not yet reached his eighteenth birthday.

After the first trial, the three appealed to the provincial level, but they were turned down. The highest People's Court in Beijing also upheld the sentences.

CORRUPT OFFICIAL GIVEN SUSPENDED DEATH SENTENCE

OW030726 Beijing XINHUA in English 0650 GMT 3 Sep 86

[Text] Guangzhou, September 3 (XINHUA) -- A business executive in Shenzhen, Guangdong Province, has been sentenced to death, suspended for two years, for accepting 92,800 yuan and 126,000 Hong Kong dollars in bribes.

Zhou Songrui, 45, former deputy general manager of Xilihu vocational village in the Shenzhen Special Economic Zone, received the illegal gains in the form of goods and cash from construction firms based both on the Chinese mainland and Hong Kong between December 1981 and July 1985.

Of this, his wife, Zeng Zizhen, received 56,700 yuan and 5,000 Hong Kong dollars and was sentenced to three years' imprisonment, suspended for three years.

The verdict, passed by the Shenzhen City Intermediate People's Court July 2, includes deprivation of Zhou's political rights for life. "The verdict was based on Zhou's confession and the recovery of all his illegal gains," a court official said today.

Neither Zhou nor Zeng lodged an appeal. The Guangdong Provincial Higher People's Court approved the verdict on Zhou July 23. Zhou was promoted and chosen as an "advanced worker" many times during the four years he was receiving bribes.

He became deputy general manager of the vocational village in charge of construction in August 1984. Taking advantage of his post, he took bribes totalling 80,000 Hong Kong dollars on six occasions from a Hong Kong firm for the construction of a restuarant alone.

HUBEI LEADER STRESSES POLITICAL STRUCTURAL REFORM

HK030249 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 2 Sep 86

[Text] Yesterday morning, provincial party committee Deputy Secretary Zhao Fulin pointed out in a speech at the 1986 autumn commence ceremony of the provincial Party School that political structural reform is a major topic confronting the cadres. Those studying at the school must seriously study Marxist theory and probe this topic in connection with the reality of reform.

Comrade Zhao Fulin said: Building socialism with Chinese characteristics is a great practical activity in the history of the development of socialism. No ready-made answers can be found in the works of Marx. China's socialist system is incomparably superior. However, there are certain defects in our economic and political structures.

This requires that we emancipate our minds, clear the way to create new things, actively plunge into reform, creatively study and research Marxism in the course of reform, engage in bold practice, and strive to improve our political and theoretical qualities.

Comrade Zhao Fulin pointed out: Political structural reform is a major topic currently confronting the cadres. It is a profound revolution. Political structural reform is certainly not the subjective imagining of some individual, it is an objective demand arising from reforms of the economic structure and the self-perfection of the socialist system. Economic and political reforms must be synchronous.

Comrade Zhao Fulin also spoke on some key issues in the party school students' probing and study of political structural reform: 1) Put the socialist legal system on a sound basis; 2) Institute division of work between party and government; 3) Make socialism highly democratic; 4) Reform the cadre systems; 5) Streamline the organs and improve work efficiency.

In conclusion, Zhao Fulin expressed the hope that everyone will learn how to link theory with reality. They should be vigilant against simple, poor, empty, and dogmatic-style study methods. They should uphold basic Marxist theory and also be bold to face the new problems that appear in reforms and modernization. They must learn how to combine upper-level decisions and instructions with the realities of the localities, departments and units. This is a creative work method.

(Zhou Dayuan), president of the party school, also spoke at the ceremony. Responsible comrades of the provincial party committee and of departments concerned Li Haizhong, Liu Qizhi, Ding Fengying, (Gu Changsheng), and (Zhang Peng) were present.

ILLEGAL MONEY DISCOVERED DURING BEIJING AUDITS

SK020951 Beijing City Service in Mandarin in 1330 GMT 16 Aug 86

[Text] Auditing work of our municipality played an active role in promoting a turn for the better in party style and social conduct in the first half of this year. Auditing work was carried out cross the board in six specialized fields, such as supply, foreign trade, self-raised capital construction funds, and bank and trust units, under unified arrangements of the municipality. According to statistics, at the 249 units where audits were conducted, problems of various kinds involving some 70 million yuan were unearthed, of which some 68 million yuan was gained in violation of discipline. To date, some 24 million yuan has been turned over to higher financial authorities.

Focusing on the central tasks of the party's economic work, auditing work was actively carried out to control investment in fixed assets and the irrational spending of consumption funds in the first half of this year. During the audits, 12 discipline-violating cases involving more than 1 million yuan each were discovered. The total sum of money involved in these cases amounted to 71 percent of the money gained in violation of discipline in the first half of this year.

Meanwhile, embezzlement and bribery cases committed by the municipal horticulture school, responsible persons of the (Lumei) service company who took advantage of contracted projects to ask for and take nearly 20,000 yuan in bribes, and a case committed by (Wu Zhensheng), manager of the (Huayang) Hotel, and others who divided up profits totaling 4,900 yuan privately in the name of raising funds were also discovered. While auditing the sources of self-raised funds for capital construction projects, and extra-budgetary capital construction projects in a selective way, auditing departments discovered that 83 percent of the units carried out capital construction by pooling funds arbitrarily. For instance, the (Nanhuqu) Village of Chaoyang District, without the permission of planning department, privately cooperated with 13 units in building houses in the village, and some of them resold the houses at a profit. The municipal party committee and government have strictly handled this cse.

NEI MONGGOL PARTY SECRETARY ON ANIMAL HUSBANDRY

SK021204 Hohhot Nei Monggol Regional Service in Mandarin 1000 GMT 30 Aug 86

[Text] Yesterday morning, Zhang Shuguang, secretary of the regional party committee, gave a speech entitled "Read a Scripture on Grass and Livestock Farming in an Effort To Boost Animal Husbandry," at the regional scientific and technological consultative work conference. He put foward specific suggestions on further implementing the plan for carrying out the economic construction policy of emphasizing forestry and animal husbandry while diversifying the economy.

Comrade Zhang Shuguang first analyzed the status of animal husbandry in the Nie Monggol Autonomous Region. He said: Animal husbandry is the foundation of our region's economy, and the superiority and major feature of the region. Grasping animal husbandry means grasping the essential point of our region's economy. It is a gold key for our people of various nationalities to eliminate poverty and to become prosperous as well as a thoroughfare leading to a comparatively well-off society.

Comrade Zhang Shuguang said: In the process of developing animal husbandry, we should implement two transitions and grasp two links. He pointed out: Since the 3d Plenary Session of the 11th CPC Central Committee, 70 percent of our region's peasant and herdsmen households have solved the problems on food and clothing. Now, we must strive to change our situation from one of enough food and clothing to one of being comparatively well-off. It is a transition from a natural economy to a socialist commodity economy. The two links are the circulation and the animal by-product processing links. We should develop a multilayered and multichanneled circulation link in various forms, raise the animal-slaughter rate, develop the commodity rate of livestock, and accelerate the circulation of livestock and animal by-products. To speed up the turnover of livestock, we should free ourselves from the old habit of paying attention to only the number of livestock on hand, and should develop livestock in line with market demands. In the animal by-product and forestry products processing industries, we should adopt a coordinated method to develop the rough and intensive processing industries characterized by multilayered and multichanneled cooperation in diversified forms.

Comrade Zhang Shuguang stressed: The areas that develop both agriculture and animal husbandry, that develop only animal husbandry, and that develop both forestry and animal husbandry, as well as small towns and the city outskirts should all stress the development of animal husbandry. In a broad sense, this animal husbandry includes all kinds of breeding industries, all processing industries in favor of the breeding industries, multilayered and diversified forms of the service industries, transport, scientific research, as well as cultural and educational undertakings.

Comrade Zhang Shuguang stressed: In developing animal husbandry, we should integrate it with the current situation and promote its development through the current work. At present, we should grasp the central link of increasing production and providing disaster relief. The pastoral areas should combat disasters and ensure the safety of livestock. The rural areas should carry out production through self-reliance. We should closely combine the work of ensuring livestock safety in the pastoral areas with that of carrying out production through self-reliance in the rural areas in an effort to vigorously develop animal husbandry. The central task of the whole region for this winter and next spring is to protect the animals and ensure that they tide over winter and spring. The major period for protecting animals is next spring. We should make preparations for animals before the arrival of the severe winter, and ensure the safety of pregnant animals so as to lay a good foundation for the development of animal husbandry.

Comrade Zhang Shuguang pointed out: While implementing the economic construction policy of emphasizing forestry and animal husbandry while diversifying the economy, we should conduct scientific appraisal and study ways to develop animal husbandry, scientifically study this work with the relevant units, experts, scholars and scientific and technological workers, appraise the strategic status and feasibility of developing animal husbandry in Nei Monggol from all angles, and strive to solve the ideological problems of the people. Furthermore, we should improve the leadership level of cadres.

Comrade Zhang Shuguang also set forth specific demands on the propaganda work. He pointed out: We should organize all means of propaganda to conduct extensive propaganda and mobilization work. The press, broadcasting, television, literary and art, and publication departments should give extensive publicity to the importance of accelerating the development of animal husbandry based on boosting grass and livestock farming.

The press, broadcasting, and television units should open special columns and spots on grass and livestock farming in an effort to boost animal husbandry, grasp typical ideas and understanding, purposefully discuss the facts in a positive way, educate and guide the masses, convince the people by reasoning, and allow them to air different views. The publication, literary, and art departments should also formulate plans for publicizing grass and livestock farming to boost animal husbandry.

Comrade Zhang Shuguang pointed out: The scientific and technological departments at all levels should strengthen the study and popularization of applied technology for animal husbandry. The animal husbandry scientific and technological personnel in particular should study new technology for developing animal husbandry, and guide its development. The animal husbandy scientific and technological organizations and establishments should give scientific guidance, organize forces to popularize technology, and work actively to accelerate the progress of scientific livestock farming.

While touching on the issue of making education serve the development of animal husbandry, Comrade Zhang Shuguang pointed out: All banners and counties should turn some regular middle schools into animal husbandry vocational schools or technical schools so as to enable the students to directly participate in animal husbandry production after their graduation.

Comrade Zhang Shuguang also pointed out: All economic departments should serve the development of animal husbandry. He said: The financial and trade departments should organize forces, conduct investigations, and offer plans for solving the problems concerning the multilayered, multichannel, and diversified forms of circulation. The industrial and communications departments should also study plans for stimulating the development of productive forces in the pastoral areas and for manufacturing all kinds of animal husbandry machinery, machinery for processing animal by-products, machinery for household and labor services, cooking utensils, and furniture. They should study in particular the issue of processing animal by-products, the issue of how to make the woolen textile plants change the current passive situation of simply depending on administrative means to restrict the outflow of knitting wool, and the issue of establishing cooperative units to directly sell industrial products and animal by-products. The financial and taxation departments should study the issue of how to apply tax policies to support the development of animal husbandry. The banks and banking departments should also study the issue of how to support animal husbandary in terms of banking policy, systems, and loans.

He also stressed: All mass organizations including trade unions, CYL Committees, and women's federations, and all democratic parties and establishments should be mobilized to play a dart in vigorously developing animal husbandry. All regional departments and units should take the initiative in reporting to the higher-level competent departments their plans for boosting grass and livestock farming and for further implementing the policy of emphasizing forestry and animal husbandry while diversifying the economy, and strive to win effective support from the departments of the higher level.

In conclusion, Comrade Zhang Shuguang pointed out: All policy research departments should study ways to readjust the relevant policies, and ensure the development of animal husbandry. The regional party committee will apoint specialized personnel to form a leading body to guide and direct the implementation of the animal husbandry development plan.

Attending the conference were leading party and government comrades of the region, including Qian Fenyong, Tian Congming, Xu Lingren, Liu Zuohui, Bai Junqing, and Zhao Zhihong, as well as responsible persons of the relevant commissions, offices, departments, and bureaus.

SHAANXI MEETING REVIEWS INSPECTION GROUP'S ERRORS

HK310537 Xian Shaanxi Provincial Service in Mandarin 2330 GMT 30 Aug 86

[Excerpts] The provincial party committee held a meeting of leading party-member cadres of the provincial organs on 30 August to announce its decision on punishing a number of leading cadres for their mistakes in lavish eating and drinking as members of a group inspecting and accepting the popularization of education in Shangluo Prefecture. Zhang Kejian, director of the provincial education department, made a public self-examination. Zhou Yaguang, deputy secretary of the provincial party committee, made a speech.

Following the revelation of the lavish eating and drinking on the part of the group inspecting and accepting the popularization of primary education in Shangluo Prefecture, the provincial party committee viewed the matter very seriously, and its leadership listened to numerous reports on investigating and dealing with the case. The provincial party committee held two standing committee meetings to discuss the case, and also sent a report to the Central Discipline Inspection Commission. The commission agreed with the committee's decision to give a serious inner-party warning to Zhang Kejian. [passage omitted]

Comrade Zhou Yaguang gave a number of views on the lessons to be learned from this case. He said: This was a typical case of violation of discipline. In particular, as it occurred in a poor and backward mountain region, its nature was rather serious and there are many lessons to be learned. Unhealthy trends such as lavish eating and drinking, giving banquets, and presenting gifts are very stubborn as well as being widespread. Every party member and cadre must clearly understand that every time a problem of unhealthy trend occurs, it endangers the party's cause; and every time such a trend is corrected, it contributes to building the party. [passage omitted]

Comrade Zhou Yaguang stressed that the remnant influences of feudalist thinking are a historical and ideological root of the unhealthy trends in the party. A few people deliberately squander the sweat and toil of the masses while going all out to ingratiate themselves with higher authority, regarding normal work relationships as feudal personal attachment. They are not at all enthusiastic about doing things for the masses but are very active in entertaining higher-level leaders so as to gain favor, promotion, and appointment to important posts. We must severely criticize and educate such people. Those who refuse to mend their ways must be resolutely removed from their leading posts. [passage omitted]

SHAANXI RADIO ON FEUDAL PRACTICES IN PERSONNEL WORK

HK300303 Xian Shaanxi Provincial Service in Mandarin 2330 GMT 29 Aug 86

[Station commentary: "Eliminate the Pernicious Influence of Feudalism in Personnel Work"]

[Excerpts] [passage omitted] At present there are two main expressions among leading cadres of the pernicious influence of feudalism in personnel work. One is to make use of one's powers to find a job, position, or school for one's children, relatives or friends. The other is to regard the unit or place under one's leadership as a personal sphere of influence. This leads to a decadent relationship of attaching oneself to others.

Certain leading cadres arrange a place for their children, relatives, or friends in their unit or place just by saying a few words or writing a note; or else they seize the chance of selecting reserve cadres to find a nice niche for their children, relatives, or friends. Instead of selecting and appointing able hands, they thus promote relatives and friends. This causes an abnormal phenomenon in which husband and wife, father and son, mother and son, cousins, uncles and so on are all working in the same business. [passage omitted] In this way, the status of the leading cadres as the people's servants and their program of serving the people just turn into empty talk.

The pernicious influence of feudalism in personnel work is also expressed among certain leading cadres as regarding the units and places under their leadership as personal spheres of influence in which only acquaintances are appointed to official posts, one individual has the final say in everything, and things can only be done according to an individual's likes and dislikes and emotions. Hence, those who indulge in flattery can often be promoted to important posts. Such flatterers who act on the leader's hints are often to be found around such leading cadres. On the surface, they are willing to be slaves, but in reality they are crawling their way up. [passage omitted]

At present the situation in economic structural reform is excellent. Political structural reform is pressing. We cannot smoothly carry out the reforms unless we are resolved to eliminate the problems of feudal relationships in personnel work. Leading cadres and party members must stand out boldly and make their proper effort to eliminate the pernicious influence of feudalism in personnel work.

BAI JINIAN ON IMPROVING SHAANXI'S RURAL PRODUCTION

HK281143 Xian Shaanxi Provincial Service in Mandarin 2330 GMT 27 Aug 86

[Excerpts] On 27 August, Bai Jinian, secretary of the provincial CPC Committee, spoke at the provincial meeting on advancing science and technology in rural areas, urging the areas to improve rural productive forces and to develop commodity economy.

Bai Jinian pointed out: The province's economic development in rural areas faces many problems, which can be summarized as having a very low standard of productive forces. To improve the rural areas' standards of productive forces, as well as develop the areas' commodity economy, we must really do well in the following five tasks:

First, we should continue to do well in reforming the rural economy. Proceeding from the market demand, we must continue to do well in readjusting the industrial structure. We must switch from the natural economic pattern, marked by single-crop agricultural production for one's own consumption, to the commodity economic pattern, marked by township enterprises' commodity production basing on agriculture. We must establish and perfect various kinds of service systems, and promote the development of cooperative economy, so as to form a diversified and multi-level service network. [passage omitted]

Second, we should greatly improve the basic conditions for rural production. The irrigated areas in the central Shaanxi plain must strive for new breakthrough points and improvement in terms of irrigation, fertilizer, land transformation, improved breeds, plowing and crop protection. The areas should also try to tap internal potential, as well as importing new technology.

Areas in north and south Shaanxi must try very hard to improve the basic conditions as a whole for rural production, which include transport, energy resources, irrigation works and ecological environment protection. [passage omitted]

Third, we should greatly develop township enterprises, and make this become the key for changing the rural economic structure, promoting links between urban and rural areas, narrowing the gap between urban and rural areas, narrowing the gap between industry and agriculture, improving the rural productive forces, and developing the rural commodity economy. When developing the township enterprises, we should classify them and give guidance accordingly. Township enterprises in the central Shaanxi plain must develop in the direction of using high technology to produce famous goods and machinery component parts. Those in north and south Shaanxi may develop freely in connection with their resources, funds, technology, qualified personnel, and the support received. Leading organs in all localities, leading cadres and all trades must support township enterprises in terms of material supply, equipment, funds, technology and qualified personnel, so that the township enterprises can develop healthily.

Fourth, we should strive to improve the level of management and operation. Our low level of management and operation is a major hinderance for the rural areas' development of commodity economy. From now on, all departments at provincial, prefectual and county levels must really do well in improving the level of management and operation. [passage omitted]

Fifth, we should expedite the pace of technological transformation in agriculture, and strive to advance the rural areas' science and technology, We must strengthen the building of scientific and technological teams in rural areas, and give full play to the present roles of research units and schools in the rural areas. Trades and departments in urban areas must establish the idea of giving priority to grass roots. They should voluntarily transfer scientific and technological knowledge to the rural areas, so as to serve the grass roots and rural areas. They should take the role of helping the rural areas develop commodity production as their unshirkable duty. [passage omitted]

XIAN PAPER REPORTS CHAOS AT RAILROAD STATION

HK290243 Xian Shaanxi Provincial Service in Mandarin 0100 GMT 29 Aug 86

[Text] A letter to the XIAN FAZHI BAO [XIAN LEGAL JOURNAL] reports a chaotic state of law and order at the Xian railroad station square. The letter says: Every day there are personnel of over 100 travel agencies waiting at the exit gates on the western side of the square to solicit travelers. Most of these personnel are young girls recruited from the rural areas. A number of criminal elements have seized the chance to get hold of fake licences for the purpose of cheating travelers. In the square, many peasants from elsewhere are waiting around for someone to hire them. Some of them spend more than 10 days there, seriously affecting the appearance of the place and blocking traffic.

At the railroad ticket offices, there is a dense mob of people, and some even crawl along over people's heads in their desperate efforts to buy tickets.

The XIAN FAZHI BAO suggests that the departments concerned seriously control social order at the railroad station square.

RENMIN RIBAO ON TAIWAN'S FOREIGN EXCHANGE SURPLUS

HK271347 Beijing RENMIN RIBAO in Chinese 25 Aug 86 p 3

[Article by Tong Yi [4547 4135]: "A Crisis Lurks Behind Taiwan's Huge Foreign Exchange Surplus"]

[Text] As Taiwan's foreign exchange surplus has risen drastically over the past 2 months, so has public concern. According to reports, by the end of May 1986, Taiwan's foreign exchange surplus had reached $30 billion, exceeding Japan, and third in the world after West Germany and the United States. Generally speaking, the volume of foreign exchange surplus of a country or region is of a standard sufficient to cover its import needs for 6 months. But Taiwan has now enough foreign exchange surplus to cover import needs for 17 months, far in excess of the above standard.

A huge foreign exchange surplus not well utilized will become a disaster. What are the "dangers" and "problems" of an excessive foreign exchange surplus? Some of the Chinese press in Taiwan and abroad believes. They are:

First, the hidden crises of inflation and soaring prices.

Excessive foreign exchange surplus has put great pressure on Taiwan's finances and currency. This is because the authorities have to pay equal value of Taiwan money to its people in order to purchase their foreign exchange. The issuance of large amounts of banknotes has brought about a flood of floating capital even when no great price fluctuation has taken place so far. People generally put their money in the bank, hence "flooding the banks," and the strange phenomena of banks refusing deposits and lowering interest rates (with the official interest rate at 5.25 percent, and the actual interest rate only 3.75 percent.) If the interest rates should continue to fall, it will possibly lead to inflation if the economic situation should change. Director Chang Chi-cheng pinpoints the seriousness of the problem. He said: "Such pressure is far too great...any price fluctuation will bring about a run, like a flood breaking the dyke, which is terrible."

The volume of capital amassed in Taiwan's organs or people's hands has come to an amazing degree; like the water that fills a reservoir, it will bring about a disaster once it surges into the market, leading to soaring prices and extremely great danger.

Second, an excessive foreign exchange surplus means funds lying idle and a waste of natural resources. The purpose of bringing in foreign exchange is import. When Taiwan's foreign exchange surplus is rising drastically, its import volume has fallen continuously. In 1984, Taiwan's total import volume dropped by 8.4 percent from 1984. Over 90 percent of Taiwan's imports are raw materials and equipment for production. The drop in imports is an expression of the lack of enthusiasm for investment.

And third, an excessive foreign exchange surplus will easily bring about frictions in trade, leading to resistance or compulsory restriction or protectionism in trade.

A contradictory phenomenon exists in Taiwan: On the one hand, foreign exchange surplus (savings of the Taiwan people) is deposited abroad to be utilized by others; on the others, it has to borrow from foreign countries because of insufficiency in public investment. In recent years, Taiwan has incurred more than $7 billion in foreign debts, and the interest rates for the debts are much higher than those for its foreign exchange surplus deposited abroad.

As a result of the dollar devaluation, Taiwan's "central bank" and several commercial banks designated for foreign exchange operation will suffer losses on their foreign exchange surplus. It is said that the "central bank" alone will incur an annual loss of $25.5 billion [New Taiwan dollars].

Besides, the Taiwan authorities had never made it clear to the public under what names they have deposited Taiwan's foreign exchange surplus abroad. Pressed continuously by some members of the "Legislative Yuan," Director Chang Chi-cheng finally disclosed that accounts were opened in foreign banks "under the names of three corporations." The Taiwan authorities gave the following explanation for such a practice: Because of Taiwan's peculiar political status, there is danger of its properties abroad being taken over by an antagonistic government; therefore, precautions should be taken and a more concealed way has been adopted. The Taiwan people and media have complaints against such a practice, believing that foreign exchange is property possessed by the entire people. If the foreign exchange surplus is deposited under the names of some organs or individuals, it will create some problems about where the money will go. should there be some changes in the situation. This reflects the lack of confidence of the Taiwan authorities and people in Taiwan's political future.

TAIWAN FISHING BOATS SEEK SHELTER IN ZHEJIANG

OW311027 Beijing XINHUA Domestic Service in Chinese 1045 GMT 28 Aug 86

[By correspondent Li Xiaokang]

[Text] Hangzhou, 28 Aug (XINHUA) -- Three hundred and sixty-five Taiwan fishing boats operating in the East China Sea fishery zone converged into Shipugang of Zhejian's Xiangshan County by 0100 on 27 August to seek shelter from Typhoon no 15. Aided by the local navy, boats dispatched by the Xiangshan County Taiwan Fishermen Reception Center Guided the Taiwan fishing boats to safety.

The Taiwan fishing boats were warmly received by the Xiangshan county people's government. Headed by Chen Xinchang, the country's deputy magistrate, the reception station was fully prepared for the reception. In addition to replenishing the Taiwan fishing boats with fresh water and nonstaple food free of charge, the country's aquatic production and commercial departments sent their personnel to bring cigarettes, wines, and medicines to the Taiwan fishing boats amid winds and rains.

FOREIGN MINISTRY SPOKESMAN ADDRESSES NEWS BRIEFING

On Forming Team With PRC

OW291431 Taipei CNA in English 1049 GMT 29 Aug 86

[Text] Taipei, Aug 29 (CNA) -- The Republic of China [ROC] will absolutely not agree to form a table tennis team with players from Red China to take part in the Euro-Asian games in Tokyo, Foreign Ministry Spokesman Cheyne J.Y. Chiu said Friday.

Chiu made the denial while answering questions at a regular news conference at the Government Information Office about an August 6 news report in the CHRISTIAN SCIENCE MONITOR saying that the ROC has agreed to select one player to form a team with two Red Chinese players for the competition in December. In line with the nation's consistent anti-Communist policy, the ROC Table Tennis Association has said it will absolutely never agree to set up such a team, Chiu told reporters.

Chiu also condemned recent propaganda statements from the Peiping regime saying the Communists have received a large cash donation from the people of Taiwan for the rebuilding of the Matsu temple on Meichu Island in Fukien Province. The report is plainly a united front trick, as the Red regime has strictly prohibited the freedom of religion on the mainland, he pointed out.

On PRC Mongolia Pact

OW291439 Taipei CNA in English 1053 GMT 29 Aug 86

[Text] Taipei, Aug 29 (CNA) -- The Republic of China [ROC] will not recognize any agreement between the Peiping regime and Outer Mongolia, Foreign Ministry spokesman Cheyne J.Y. Chiu said Friday while commenting on a recent consulate agreement inked between them.

Chiu said it is the Republic of China's consistent policy that Outer Mongolia should soon bring its de facto status in line with its legal status as an area under ROC jurisdiction. The Peiping regime is a rebellious group and Outer Mongolia is part of the Republic of China, he pointed out, and the so-called "Mongolian People's Republic" is simply an upshot of the post-war Sino-Soviet amity pact, which was formally abrogated by the ROC on February 25, 1953. The spokesman made remarks at a regular news conference at the Government Information Office.

On PRC-USSR Relations

OW291435 Taipei CNA in English 1056 GMT 29 Aug 86

[Text] Taipei, Aug 29 (CNA) -- The free world should abandon the illusion of alliance with the Chinese communist to counter the Soviet Union because the two regimes are of the same ilk, Foreign Ministry spokesman Cheyne J.Y. Chiu said Friday.

Chiu made his remarks at a press conference held at the Government Information Office while commenting on Soviet leader Mikhail S. Gorbachev's statement in Vladivostok on the Soviet Union's intention to seek reconciliation with Communist China. Chiu said that Red China and the Soviet Union belong to the communist bloc and that their ultimate goal is to bury capitalism and communize the free world.

No matter what happens between the two Communist regimes, Chiu stressed, the Chinese Communist regime and the Soviet Union are of the same nature.

Chiu also condemned Communist Chinese sales of arms to Iran, which have caused further instability in the Middle East.

Commenting on the recently launched "political reforms" on the Chinese mainland, Chiu said that the so-called reforms are measures used by the Chinese Communist to oppress people on the Chinese mainland who pursue freedom. Due to the failure of "four modernizations" and the people's strong demand for freedom and democracy, the Chinese Communists cannot help but launch political reform to cope with domestic instability. The ultimate goal of the so-called "political reforms" is to reinforce Chinese Communist Party leadership, Chiu added.

EDITORIAL VIEWS PRC REACTION TO USSR PROPOSAL

OW020743 Taipei CHINA POST in English 27 Aug 86 p 4

[Editorial: "Peking's Reaction to Gorbachev Offer"]

[Text] Peking's latest reaction to Mikhail Gorbachev's offer for reconciliation seems to have softened by listing only the Vietnamese and Cambodian issues.

A HSINHUA NEWS AGENCY report quoted a party official as saying that Red China cannot normalize relations with the Soviet Union until Moscow takes practical steps to resolve the Vietnam and Cambodian issues. The interview was published Monday [25 Aug] in Peking.

The report said that Red China sincerely hopes to improve its relations with the Soviet Union but normalization of state and party links is not realistic until the Soviets deal with the Cambodian issue. The official's statement failed to mention troop withdrawals from Afghanistan and the northern border region as the Chinese Communists have previously demanded of the Soviets. The absence of the two issues could mean that Peking may be satisfied with Gorbachev's proposal that troop withdrawals in the Afghan and Mongolian regions and border discussions.

The Chinese Communist reaction this time is more positive than what Teng Hisiao-ping had indicated or what Peking's "foreign minister" Wu Hsueh-chien had said. However, the statement does not mean that Peking wil agree to negotiate with the Soviets on the Gorbachev offer without strings attached. It will advance many demands before serious negotiations begin. It is not likely to miss such a good opportunity of exacting demands from the Soviets as it is in a good bargaining position between the Soviets and the United States.

At the same time, the Chinese Communists will certainly use the Soviet offer to exact similar concessions from the United States. It will blackmail the United States into yielding to its demands.

It is hoped that the United States will realize the futility of appeasing the Chinese Communists by playing the Red China card against the Soviets. The United States has lost this poker game now that the two communist powers have come together for substantive discussions on means of ganging up against the "imperialist" powers headed by the United States. The Gorbachev offer provided a timely invitation to Peking to get together with the Soviets to checkmate the United States. Peking's positive answer to the Soviet offer might be the first step in the whole process of Communist betrayal of the United States.

COMMENTARY URGES MAINLAND TO LEARN FROM TAIWAN

OW311443 Taipei CNA in English 1430 GMT 31 Aug 86

[Text] Taipei, Aug. 31 (CNA) -- The following is a commentary by the Broadcasting Corporation of China (BCC) in Taipei entitled "Blueprint for Whole China."

Receiving a group of American visitors recently, Premier Yu Kuo-hwa reaffirmed that the Republic of China is ever ready to share its modernization experience with other developing countries, particularly Mainland China. Said the premier, "While others can learn from the Taiwan experience, our chief purpose all along has been to create a blueprint for a modern Chinese society with applications for all of China."

Yu's remarks were a re-statement of the Chinese Government's goal to turn Taiwan into a model province for the rest of China after communism is thrown into the dustbin of history. For this reason, Taipei has been exposing the absurdity of Peking's call for national reunification under a "one country, two systems" formula and urging the communist leadership to embrace Dr. Sun Yat-sen's three principles of the people as the basis of a reunified China.

If Teng Hsiao-ping and Co. will listen to the advice, China would not only become a unified nation again but also become a strong and prosperous one before the end of this century. They don't have to learn from Hungary or Yugoslavia, because the Chinese formula applied in Taiwan has worked far better than either revisionist communist countries.

Taiwan was as poor and backward as the mainland when the island was restored to Chinese sovereignty after the end of the Second World War. Today it has emerged as a front-runner among the newly industrializing nations and is expected to join the ranks of developed countries before the turn of the century. Taiwan is a small island of approximately 14,000 square miles with a very high population density and poor natural resources. Yet it achieved a five-fold increase in real per capita income from 1952 to 1985 in spite of a more than doubling of its population from 8 million in 1950 to 19 million in 1986. This record is all the more remarkable in view of the grim necessity of maintaining a high level of military preparedness against the constant threat of Communist China. The high economic growth Taiwan has achieved side by side with social and political progress. The super rich are few in number. The majority of the people consider themselves middle class. This is borne out by the fact that more than 70 percent of the families in Taiwan live in their own apartments or houses, and that the income ration between the top 20 percent and the bottom 20 percent of the families is only 4 to 1, a record rarely matched elsewhere in the world.

These are some of the solid accomplishments Free China can cite to prove that the Taiwan experience is superior to any system that communist rulers on the mainland may try to implant there for the sake the same of modernization.

TARIFF CEILING TO BE LOWERED TO INCREASE IMPORTS

OW301039 Taipei CNA in English 0950 GMT 30 Aug 86

[Text] Taipei, Aug. 30 (CNA) -- The Ministry of Finance decided Friday to lower the ceiling on import tariffs from the current rate of 67.5 percent to 57.5 percent in an effort to encourage imports.

The ministry also resolved to reduce import tariffs for such items as tennis rackets, toys, bicycles, umbrellas, hats, onions, bananas, eels and asparagus, all of which the country exports in large quantities. An official of the ministry said the decision on the customs duties reduction was reached during a meeting attended by officials from the Finance Ministry, the Economics Ministry, the Council for Economic Planning and Development, the Industrial Development Bureau and the Board of Foreign Trade.

Other major decisions made in Friday meeting were as follows:

-- Automobile import tariffs will be reduced from the current rate of 60 percent to 55 percent. More than 20 component parts will also have lower rates.

-- Import tariffs will be lowered on some raw materials in coordination with the government's decision to annual [as received] the customs duties rebate system.

IMPORT RESTRICTIONS LIFTED ON OVER 3,000 ITEMS

OW020304 Taipei CNA in English 0242 GMT 2 Sep 86

[Text] Taipei, Sept. 1 (CNA) -- The Economics Ministry of the Republic of China, in an effort to promote trade liberalization, approved Monday a proposal by the Board of Foreign Trade to free 3,046 items of products from import visa requirements. Among them, textile products occupy 2,346 items, electrical products 230 items, metal products 201 items, machinery 123 items, paper 65 items, non-metal mining products 62 items and sophisticated equipment 47 items. [figures as received] Up to the present, the ministry has authorized the lifting of import visa requirements on a total of 8,408 items and export visa requirements on 2,714 items.

TAIWAN-U.S. TALKS ON CIGARETTES, WINE END

OW021107 Taipei CNA in English 1037 GMT 2 Sep 86

[Text] Taipei, Sept. 2 (CNA) -- The fourth session of talks on imports of American cigarettes, beer and wine between officials of the Republic of China and the United States, which lasted for eight hours, ended late Monday night with no agreements reached. The two sides will meet again for a fifth round of talks at an as yet unspecified time, said Vincent C. Siew, director general of the Board of Foreign Trade, Tuesday morning.

After a laborsome nine days of negotiations, Siew said trade officials of the two countries had made some progress on import procedures, labeling and inland transportation. However, he said, the two sides are still far from agreement on the issues of advertising and pricing. Siew made a last effort by visiting Sandra Christoph, the U.S. chief delegate, at 6 a.m. Tuesday morning at the Howard Plaza Hotel. Their brief meeting failed to resolve the problems of advertising and pricing.

Siew made no comment when asked whether American cigarettes, beer and wine will start being imported in October as originally scheduled. The U.S. delegates left for home at 9 a.m. Tuesday. The trade talks, started Aug. 25 and were originally scheduled to conclude Aug. 29.

HONG KONG GOVERNOR ON PRIVATE VISIT TO PRC

HK300554 Hong Kong AFP in English 0323 GMT 30 Aug 86

[Text] Beijing, Aug 30 (AFP) -- Kong Kong Governor Sir Edward Youde has begun a four-day private visit to China with a trip to the Qing dynasty hill resort of Chengde accompanied by the British ambassador, an embassy official said Saturday.

Sir Edward left for the resort by train soon after his arrival here Friday and was to return late Sunday, the official said, adding that the main point of the visit was "to spend a few days" with Ambassador Sir Richard Evans. While here the governor was expected to meet with "old friends" including Ji Pengfei, director of the Hong Kong and Macau affairs office, and Zhou Nan, vice foreign minister responsible for Western European affairs, the official said. Mr Zhou was China's chief negotiator in Sino-British talks on Hong Kong that resulted in a joint declaration two years ago under which the British colony is to revert to China in 1997.

Sir Edward said Friday on his departure from Hong Kong that he would convey to Chinese officials local concerns about China's plan to construct a nuclear power station near the British territory.

Embassy officials denied that the power station would be the main point of Sir Edward's discussions with Chinse officials, but declined to say what other subjects might be on the agenda.

Hong Kong-based analysts said plans for political reform in Hong Kong during the run-up to 1997 were likely to occupy more time in the meetings than the nuclear power plant issue, since the decision to go ahead with the plant was largely fixed already.

Meets Zhou Nan

HK010605 Hong Kong AFP in English 0542 GMT 1 Sep 86

[Excerpt] Beijing, Sept 1 (AFP) -- Hong Kong Governor Sir Edward Youde met with China's chief negotiator on the territory's future here Monday for what he described as "friendly and useful" discussions.

Sir Edward, who met with Chinese deputy foreign minister Zhou Nan for two and one half hours at the Foreign Ministry, told reporters afterwards that the two had held "friendly and useful" talks. He declined to say what topics had been covered. Hoing Kong sources said political reform in British-run Hong Kong during its transition to Chinese rule beginning in 1997 could have been a key subject.

Asked if he had raised Hong Kong's concern over China's plans to construct its first major nuclear power plant near the territory, the governor replied that he would be meeting other Chinese officials Monday. Embassy officials declined to say who the governor would see. Hong Kong sources said he was to meet with the deputy head of the Hong Kong and Macao affairs office, Li Hao, and was likely to discuss the power plant issue at that time.

Following the morning's discussions, Mr. Zhou and other Chinese officials joined Sir Edward at luncheon at the embassy at the invitation of British Ambassador Sir Richard Evans. Mr Zhou was China's chief negotiator during two years of tough negotiations which produced a Sino-British joint declaration that the capitalist territory would retain a "high level of autonomy" after returning to Chinese rule in 1997. Political reforms undertaken by Britain in Hong Kong during the transition period are intended to help lay the foundations for genuine autonomy without going beyond what China is prepared to accept, analysts said.

Sir Edward's visit -- which ends Tuesday -- comes as China's official press has begun calling for the mainland to launch its own political reform, including greater democracy and a development of non-party institutions. The governor arrived Friday on what British officials described as a "private visit" and went directly to the Qing dynasty hill resort of Chengde in the company of the British ambassador for a two-day rest. [passage omitted]

Comments on Daya Bay

HK030236 Hong Kong SOUTH CHINA MORNING POST in English 3 Sep 86 p 19

[By Frank Choi]

[Text] Senior Chinese officials have confirmed that the signing of major contracts for the Daya Bay nuclear power plant will take place between September 22 and 24 after the upcoming visit to Beijing by the Legislative Council [Legco] delegations.

And they have given assurances that all possible measures will be taken to ensure the safe operation and construction of the plant, the Governor, Sir Edward Youde, said.

But he declined to commit himself on a proposed special Legco meeting to debate the Daya Bay issue, adding that he would prefer to wait for the outcome of today's Legco in-house meeting before making a decision.

Sir Edward told reporters at Kai Tak last night after a five-day trip to Beijing that it remains the intention of the chinese to proceed with the construction and plan for the Daya Bay plant.

An invitation has been extended to Legco's overseas fact-finding delegations to visit Beijing in About two weeks to convey their findings and the concern of Hong Kong people to top Chinese officials.

Chinese officials had noted the reports and observations of the Legco missions to the United States, Europe and Japan, and they promised that the appropriate authorities would give careful consideration to those observations, he said.

Sir Edward also confirmed the Hong Kong Government's position on the issue during discussions with Chinese officials saying that "we will stand by the commitment we made in respect of the project."

During these meetings, Sir Edward also conveyed to Chinese officials the concern of Hong Kong people over the Daya Bay issue.

He said Chinese officials were fully aware of and understood the concern.

Sir Edward's Beijing visit was at the invitation of British Ambassador Sir Richard Evans.

During his visit, Sir Edward discussed with Sir Richard future work concerning the implementation of the Sino-British Joint Declaration and the Sino-British Liaison Group.

In Beijing, Matthew Leung reports that before his departure for Hong Kong, Sir Edward declined to shed light on whether there was a conflict of views between China and Britain on Hong Kong's political development in the run-up to 1997.

He only said he found the views of Chinese officials on local political reforms "very interesting."

And he laughed off questions on whether there was conflicts in views between Britain and China on Hong Kong's pace of democratisation

"The only word you haven't mentioned is convergence," he told reporters.

Beijing observers believe the two sides have yet to see ye to eye on this thorny subject.

But the Governor said there will be no change in the timing of the 1987 political review.

On whether there is a difference in view on political reforms, he asked the press not to jump to conclusions.

"You are trying to run far too fast down the track," he said.

The Governor, Sir Richard and the secretary for General Duties-designate, Mr Barrie Wiggham, met Chinese leaders, including Mr Ji Pengfei, Mr Zhou Nan, Mr Lu Ping on Monday for "a full exchange of views on the whole range of development in Hong Kong and on the implementation of the Joint Declaration," the Governor said.

"They also briefed us on the situation in the drafting of the Basic Law," he told reporters at the British Embassy.

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FOREIGN MINISTRY SAYS FINNISH PREMIER TO VISIT

OW030708 Beijing XINHUA in English 0706 GMT 3 Sep 86

[Text] Beijing, September 3 (XINHUA) -- Prime Minister Kalevi Sorsa of Finland will pay an official goodwill visit to China from September 14 to 19 at the invitation of the Chinese Premier Zhao Ziyang. This was announced by a Chinese Foreign Ministry spokesman at a weekly news briefing here today.

RENMIN RIBAO URGES U.S., USSR TO REDUCE ARMAMENTS

HK300600 Beijing RENMIN RIBAO in Chinese 24 Aug 86 p 6

["Jottings" by Wen Yun: "Measures Had Better Be Drastic"]

[Text] More than 20 years ago, the United States and the Soviet Union set up their White House-Kremlin hot line, but few outsiders really know the actual function of this hot line. Now, the two governments are considering setting up a "center for reducing the risks of a nuclear war" in their respective capitals.

The main purpose of setting up this hot line is to promptly remove all risk when it emerges; it is said that the two sides can use their "risk centers" to "conduct regular discussions and exchange technological information" and meanwhile they will enable the two sides to carry out frequent dialogue on nuclear policies so as to prevent a nuclear confrontation between them.

However, while they are busy rigging such "centers" for reducing the risks of a nuclear war, the two countries are also secretly planning a nuclear war with the other side as the imaginary enemy and are making solid preparations for such a war. It is reported that the U.S. military authorities are secretly designing and building a combat system which can fight a "protracted nuclear war" and are planning to spend some $40 billion to develop nuclear weapons, and this has been approved by the U.S. Congress. It is reported that the Soviet Union is also planning to use advanced weapon systems to replace its existing strategic nuclear strike force, intercontinental ballistic missiles, submarine-launched missiles, and bombers by the mid 1990's.

A Chinese saying goes: Stirring boiling water can never stop the water from boiling, only pulling the firewood out from under the kettle can make water stop boiling. Now the two big nuclear powers -- the United States and the Soviet Union -- should take actual steps to reduce their armaments rather than talking about such things as the "centers for reducing the risks of a nuclear war" and indulging in flowerly and empty verbiage. Otherwise, no matter how many hot lines and "centers" they set up, the world's people will never feel safe.

RENMIN RIBAO ON PROSPECTS FOR U.S.-USSR RELATIONS

HK301750 Beijing RENMIN RIBAO in Chinese 30 Aug 86 p 6

["Jottings" by Sai Bei: "Who Will Resolve It?"]

[Text] What are the prospects for U.S.-Soviet relations? Arbatov, a high-ranking Soviet official, recently gave a pessimistic assessment. [paragraph continues]

According to him, since the U.S.-Soviet summit last year, there have been no improvements in the main aspects of U.S.-Soviet relations, that is, regarding disarmament, regional conflicts, and so on, and moreover the deterioration has continued. He says that U.S. policy is to try to do everything possible to wreck U.S.-Soviet relations before the next presidential election, that is, before President Reagan leaves office, to make it difficult for the future president to restore the relations.

These remarks have two meanings. First, the reason why there has been no improvement in the main aspects of U.S.-Soviet relations is that the United States has adopted a policy of wrecking these relations; second, the president after Reagan may wish to restore U.S.-Soviet relations to normal, but prospects for this are dim due to the policies of the present administration.

To be honest, looking at the matter, Arbatov's remarks are more propaganda than fact. Since the war, U.S.-Soviet relations have been sometimes good and sometimes bad, with a general tendency of increasing deterioration, and not only have the so-called "main aspects" never seen an improvement, but the level of tension in them has risen continuously. This has always been the case, and is certainly not something that is only starting now. It seems that the problem does not lie just in the Reagan administration, but rather in the fact that both the United States and the Soviet Union have their own strategic interests that they must uphold.

In this respect, former White House security adviser Brzezinski made some remarks that serve as a reference. He wrote in his new book that the essence of U.S.-Soviet relations is rivalry for global superiority. The occasional tactical conciliation between them cannot conceal the permanent and basic characteristic of rivalry. By using these two remarks to observe the current state of U.S.-Soviet relations, it can be perceived that it was the tactical requirements of the two sides that led to the recent high-level U.S.-Soviet meeting and the series of moves after the meeting, and it was not a strategic preparation for a retreat from rivalry for superiority.

By understanding this, people need not entertain too great a hope for an improvement in U.S.-Soviet relations, nor need they feel too disappointed at the lack of such an improvement. It seems that only the efforts of the peace-loving people throughout the world will be able to resolve those "main aspects" which those two cannot resolve.

RENMIN RIBAO ON U.S.-SOVIET CONFRONTATION

HK291045 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 29 Aug 86 p 6

["Random Notes" column by Sai Bei: "A Talk Beginning With Military Exercises"]

[Text] Autumn is coming, with military exercises one after another all over the world.

In August, five Commonwealth countries -- namely, Britain, Australia, New Zealand, Malaysia, and Singapore -- conducted a 10-day joint military exercise in the South China Sea; Japan's Air Self-Defense Force and the U.S. Air Force and Marines stationed in Japan conducted 5 days of joint air battle training over the sea near Shikoku, Japan; NATO carried out a large-scale sea military exercise named "Northern Wedding" in Europe; and the armored, air, and artillery troops of the Soviet Union, Poland and GDR carried out a military exercise in GDR territory.

According to schedules, in September, the United States and Japan will conduct a large-scale naval exercise in the Sea of Okhotsk, and in October, the United States and Japan will conduct a land-sea-air joint military exercise in Japan's Hokkaido. All these are large military exercises; small ones were not mentioned.

These military exercises are different than those conducted by one country to upgrade its national defense level. A mere look at the places of these military exercises shows that all were or will be conducted in areas of demarcation where the two superpowers, the United States and the Soviet Union, are tensely confronting each other. This tells people that despite repeated dialogue between the United States and the Soviet Union, there has been no substantial relaxation in their relations and the international situation is time and again strained.

Since the U.S.-Soviet summit meeting in Geneva last year, there seems to have been a favorable turn in their relations, and the whole world was relaxed. Since the beginning of this year, however, no substantial improvement was made in their relations. The development of the situation indicates that both the United States and the Soviet Union have had great difficulties and deem it necessary to ease their relations to a certain extent. However, their confrontational nature has made is not so easy to ease their relations and it is much easier to take the old road than the new road. Although both of them have verbally issued quite a few peaceful declarations, neither has determined truly to make a new start. In the situation of two powers confronting each other, if one makes no concession, the other will not yield an inch either. In the end, they remain in the old place. At a time when it is widely rumored that the foreign ministers and heads of state of the United States and the Soviet Union may meet again, the large-scale military exercises which take the other side as the imaginary enemy are telling people that although a large war is not imminent, peace is still far away. People have to continue to toss about on the waves of tension and relaxation.

Of course, everything in the world is changing and developing, as are the factors that affect the world situation. History over the 40 years since the war has proven that military force may reign for a short while, but peace is the everlasting strength. It is now the time for people who fight for peace to seek their development by peace and to fight for peace by their development. After all, the world belongs to the laboring people who love peace.

RENMIN RIBAO ON U.S., W. EUROPE CONFLICT OVER SDI

HK010450 Beijing RENMIN RIBAO in Chinese 22 Aug 86 p 7

["Jottings" by Te An: "Hitting Where It Hurts the Most"]

[Text] The U.S. Senate recently passed a bill concerning orders for goods related to the Strategic Defense Initiative: When goods are ordered for the anti-missile space plan, the order should not be placed with foreign companies unless U.S. enterprises are incapable of taking the orders.

This action has aroused a wave of indignation among the United States' Western European allies. On 18 August the FRG secretary of state solemnly published a statement saying that the U.S. Government had promised that it would follow both in spirit and words the agreement signed on the 27th of last March, which held that the FRG was a "reliable partner" of the United States and stipulated that in inviting tenders and implementing orders for the supply of goods related to the Strategic Defense Initiative, Western Europe was "in the same position as" the United States. [paragraph continues]

However, now the United States has unilaterally decided that foreign companies should be discriminated against. Does it want to execute the agreement?

All at once, politicians of both the Christian Democratic Union and the Free Democratic Party criticized this decision by U.S. Senate. Luci Shitzfenhagen of the Christian Democratic Union said indignantly that West German companies ought to have an equal right to participate in the Strategic Defense Initiative. If those who attempt to refuse Europe equal rights get an upper hand in Washington, it "will be a heavy burden of the FRG and on FRG-U.S. relations." A defense specialist of the Free Democratic Party indignantly suggested that they had to study the possibility of canceling the FRG-U.S. agreement on the Strategic Defense Initiative.

It seems that West German political circles have good reason to be indignant. Originally, the United States said something very nice when it invited its Western European allies to participate in the plan, stating that it would regard them as "equal partners" in cooperating with them and planned to share the achievements with Western Europe and so on. However, as soon as it dealt with the key issue of orders for goods, it refused its allies equal opportunities. Can this be regarded as a way to deal with "equal partners". However, the Western European allies have long been prepared for this. They already know the disposition of its ally the United States will; therefore, they have started their own "Eureka" plan.

LIAOWANG ARTICLE EXAMINES NONALIGNED MOVEMENT

HK030811 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 34, 25 Aug 86 pp 3-5

[Article by Peng Di: "The Nonaligned Movement Is Charged With Heavy Responsibilities"]

[Text] Most founders of the Nonaligned Movement have passed away, but the cause left by them is rapidly advancing. It has grown into a powerful, independent political force and has drawn the attention and enjoys the respect of people at large.

When the first conference of heads of state of nonaligned nations was held in 1961, the movement had only 25 members. Today 25 years later, its member countries number more than 100. With regard to military and economic strength, these nonaligned nations cannot match the allied powers, but they play a special role in international affairs because they dare to preserve independence, uphold justice in the world, oppose military alliances and safeguard world peace.

The aim and significance of the Nonaligned Movement was not well comprehended or admired when it was initiated. The path the movement has trodden has never been simple and smooth. Leaders of the movement are not quite satisfied with its present state of affairs. Its historic tasks are far from being fulfilled. However, considering its historical background and present state of affairs, we must say what the movement has achieved is really estimable.

What has allowed the Nonaligned Movement to last for such a long time? To this question, nonaligned nations themselves will give their authoritative answer. This writer, as an observer, will only present his superficial view on the movement.

The Trend of the Times

First, the Nonaligned Movement has developed significantly in the course of a world changing from polarized to multipolar confrontation. Its aim conforms with the trend of the times and is in keeping with the wishes of the majority of nations and people in the world.

The late President J.B. Tito of Yugoslavia, the oustanding founder of the movement, briefly summed up the aim of the movement, saying: "From the very beginning, the Nonaligned Movement persists in opposing bloc policy and foreign domination as well as political and economic hegemony of different types."

This is why the movement was regarded as heterodox by the superpowers of the two blocs even when it was launched. What the movement opposes is just what the superpowers are most interested in including the outmoded things that they are unwilling to give up.

When the first conference of heads of state of nonaligned nations was convened in Belgrade in 1961, the writer was present. When leaders of 25 nations, including President J.B. Tito, President Jamal 'Abd al-Nasir, President J.L. Nehru, President Sukarno, President K.N. Nkrumah, and head of state N. Sihanouk, sat around a desk in the hall of the Yugoslavian National Assembly and declared the inauguration of the Nonaligned Movement, a hot and solemn atmosphere prevailed inside and outside the meeting hall. It impressed people with a feeling of making history though the far-reaching significance of the movement was not well comprehended or recognized at the time.

To the best of this writer's memory, the U.S. Government adopted a hostile attitude toward the conference, deeming that observing neutrality was "immoral" and trying hard to exert its influence on the conference. The Soviet Union held that it was impossible to observe neutrality and from the beginning it has attempted to bring the Nonaligned Movement into its diplomatic orbit as a "natural ally." On the eve of the conference, the Soviet Union conducted a nuclear test. Probably this was a mere coincidence, but its result was inauspicious. People inside and outside the meeting hall had a strong aversion to the test, and the voice of opposition to the arms race, war threats and power politics thundered.

The conference issued a declaration, demanding that the United States and the Soviet Union "must put an immediate end to their war preparations and activities." The struggle between nonaligned nations as one group and the United States and the Soviet Union, heads of the two largest opposing military alliances as the other has run through the Nonaligned Movement. Issues discussed and resolutions adopted at all previous meetings of nonaligned nations, such as striving for peace, denouncing wars, calling on disarmament, supporting national liberation movements, opposing interference in internal affairs, condemning colonialism, racial discrimination and segregation, calling for North-South dialogue to establish a new international economic order, and advocating South-South cooperation to accelerate economic development, all centered on the general lines of the struggle.

Over the past 25 years, the manifestations of forming alliances and seeking hegemony in the world often changed according to circumstances, so the targets, essential points, and priorities of struggles waged by the Nonaligned Movement were also readjusted correspondingly. As long as the reality of forming alliances and seeking hegemony exists, the historical mission entrusted by the times to the Nonaligned Movement will not end.

Seek Common Ground on Major Issues While Reserving Differences on Minor Ones in Order To Maintain Unity

The Nonaligned Movement is growing steadily just because of the unhesitating confidence, sagacity and statesmanship of its principal leaders, who work hard to withstand pressure and interference from the outside and work with patience to reconcile inside differences and contradictions. Although there is unceasing interference from the inside and outside, generally speaking, the Nonaligned Movement sticks to its principles and preserves internal unity and cooperation among its members.

It is impossible for all member countries of the movement to have identical views on all problems. For example, they acted in unison to oppose war, but their views were divergent over the causes of war and the question even evoked much controversy. In addition, their views on opposition to power politics were identical, but there were often differences of opinion on the time and place of opposing hegemony. This is because numerous members of the movement are in differing circumstances, and the threat and damage of war and hegemony to them differ in degree, and their experience in this respect is different. Generally speaking, in the 1960's the Nonaligned Movement was mainly opposed to colonialism and U.S. war and intervention policies. After the 1970's, it stressed opposing "all forms of foreign domination and hegemony." Especially when the Soviet large-scale activities of territorial expansion in varied forms threatened or damaged many nonaligned nations directly or indirectly in the 1970's, and when these activities intensified contention in different regions of the world, the spearhead of the movement's struggles was naturally directed at the two superpowers -- the United States and the Soviet Union, though they were not denounced by name on all occasions. At the end of 1970's, when the Soviet Union invaded nonaligned nation Afghanistan and supported Vietnam in its invasion of Cambodia, the situation cleared much more than before.

The Nonaligned Movement sprang from and has grown up in practical struggles, and it cannot be divorced from reality. In international politics, there must be an objective criterion for judging who carries out the policy of seeking alliance, confrontation and hegemony.

In smoothing out differences of opinion in its own ranks, leaders of the Nonaligned Movement adopted the guideline of both adhering to principles and paying attention to unity, and they made every effort to seek unanimity from differences through democratic discussion and consultation on an equal footing. With the exception of some isolated cases, their leniency and art of leadership have yielded good results.

Enjoy Worldwide Support

The Nonaligned Movement is full of vitality because it does not fight in isolation. It maintains friendly relations with many international organizations or countries which cherish common or desired goals with it; they cooperate with and supplement each other. It adopts the principle of coexisting peacefully and reaching unanimity through consultation, a principle initiated by the Afro-Asian conference. It shares the historical mission undertaken by the Third World nations of striving for national liberation and political independence and opposing imperialism, colonialism and hegemonism. Meanwhile, it also accepts the guiding principle applied by the "Group of 77" of establishing a "new international economic order" as well as the principle of promoting "South-South cooperation" characerized by self-reliance and striving for "North-South dialogue."

On the question of peace and war and of alignment and nonalignment, the Nonaligned Movement flies its own colors and takes a clear-cut stand. It unites all forces which prize independence and peace and do not attach themselves to military powers. In the United Nations and among the Third World nations, the Nonaligned Movement plays a positive role and wins sympathy and support from the world.

China has consistently respected the Nonaligned Movement, and in turn it has always been friendly with China. The first conference of heads of state of nonaligned nations unanimously adopted a resolution calling for restoration of China's legitimate seat in the United Nations, though many nonaligned countries had not established diplomatic relations with China at that time. China itself pursues an independent foreign policy of peace. It appreciates the independent and non-bloc policy implemented by the Nonaligned Movement and highly appraises the movement's positive role in international affairs. China is not a member of the Nonaligned Movement, but this does not prevent it from strongly supporting and coordinating the just propositions laid down by the Nonaligned Movement.

The Struggle of Safeguarding the Principle of Nonalignment

Like other political movements, the Nonaligned Movement, no doubt, has its own weaknesses and difficulties. It seems that serious obstacles to the movement are not limited only by the pressure coming from the outside and differences of opinion in its own ranks. The sinister and even vital challenge is: The struggle of whether to enter into alliances with hegemonists or not has seeped into the movement in depth, but very few member countries try to force the idea and policy of alignment on other member countries with an attempt to make the movement become an appendage to the mighty so as to change its nature. If the attempt should succeed, the Nonaligned Movement would not exist. Such a challenge is a life-and-death struggle for the movement. It has hidden in the movement for a long time, but it was thoroughly aroused at the sixth conference of heads of state of nonaligned nations held in Havana in 1979. Leaving other things aside for the moment, the most typical case was reflected on the Cambodia issue. This writer witnessed that Cuba, host of the conference, in collusion with Vietnam, unjustifiably pushed representatives of Cambodia, one of the sponsors of the Nonaligned Movement and victim of Vietnamese aggression, out of all activities of the Nonaligned Movement. This has brought about serious retrogression to the movement.

Vietnam's aggression against Cambodia with the full support of the Soviet Union violated the most rudimentary principles governing international relations. This is a cardinal question of right and wrong. Such a relationship between Vietnam and the Soviet Union is nothing but an obvious military alliance of might. The majority of UN members, including a large number of nonaligned nations, all opposed such Vietnamese acts of both forming an alliance and seeking hegemony. However, in Havana, representatives of Vietnam became the most distinguished guests. They were arrogant and domineering inside and outside the conference, which finally became a site of advertising might and aggression. For the moment, might overwhelmed generally acknowledged truth.

By the way, head of state of Cambodia, N. Sihanouk not only attended the first meeting of nonaligned nations but also set forth the idea of nonalignment together with Tito, Nehru and Al-Nasir on the Brijuni Isles early in 1956. Now, the only living advocate of the idea of nonalignment is pushed out of the activities of the Nonaligned Movement by one or two nations which are actually aligned with other countries. This is really a bitter irony to the Nonaligned Movement. In Havana, the writer personally heard of loud complaints from many representatives against the practice. [paragraph continues]

Late at night on the last day of the meeting, the Burmese delegation handed a written statement to the writer because it could not take the floor again; the statement declared that it would no longer take part in such meetings of nonaligned countries which are manipulated and distorted.

In order to take overall interests into account, many countries compromised out of consideration for the general situation and reluctantly stayed until the end of the meeting. Representatives of some countries pointed out that the struggle would continue and placed their hope on tomorrow. It seems that the struggle will be a long and arduous one.

At present the forces of peace are increasing, but the practice of big nations bullying small ones through the formation of alliances is still very common in the world. The arms race and scramble for regions between the superpowers have not slowed down and there is still a danger of war. The unjust and unreasonable international economic structure is raising difficulties to many developing countries. Continuous efforts must be made to strive for and safeguard world peace which many people are much concerned about. The Nonaligned Movement shoulders heavy responsibilities. On the occasion of the commemorating the 25th anniversary of the movement, people expect and hope that it will adhere to its principles, will not become dizzy with success, nor discouraged by failure, and will work ceaselessly and unremittingly by summing up experiences so as to play a more positive role in international affairs.

ZHAO ZIYANG MEETS NEW MPR, LUXEMBOURG ENVOYS

OW282040 Beijing XINHUA in English 1536 GMT 28 Aug 86

[Text] Beijing, August 28 (XINHUA) -- Chinese Premier Zhao Ziyang met the newly-appointed Mongolian Ambassador to China, N. Luvsanchultem, and the newly-appointed Luxembourg Ambassador to China Paul Schuller on separate occasions here today.

LI XIANNIAN APPOINTES THREE NEW AMBASSADORS

OW300603 Beijing XINHUA Domestic Service in Chinese 0632 GMT 28 Aug 86

[Text] Beijing, 28 Aug (XINHUA) -- In accordance with a resolution of the NPC Standing Committee, Li Xiannian, president of the People's Republic of China, has appointed and dismissed the following ambassadors:

1. Zhang Baosheng [1728 1405 3932] is appointed PRC ambassador plenipotentiary to the Republic of Mozambique.

Wang Hao is dismissed from the office of PRC ambassador plenipotentiary to the Republic of Mozambique.

2. Fan Chengzuo [5400 2100 4373] is appointed PRC ambassador plenipotentiary to People's Socialist Republic of Albania.

Xi Zhaoming is dismissed from the office of PRC ambassador plenipotentiary to the People's Socialist Republic of Albania.

3. Sun Dagang [1327 1129 0474] is appointed PRC ambassador plenipotentiary to the Independent State of Western Samoa.

Gu Ji is dismissed from the office of PRC ambassador plenipotentiary to the Independent State of Western Samoa.

KAPITSA'S REMARKS ON CAMBODIA 'NOT SATISFACTORY'

HK310526 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 34, 25 Aug 86

[Article by Tang Tianri: "The Perverse Course of Invading Cambodia Must Be Reversed"]

[Text] When discussing the Cambodian situation at a news briefing in Moscow on 6 August, Soviet Vice Minister of Foreign Affairs Mikhail Kapitsa said: What has happened there "is irreversible." He also said that Vietnam should hold talks on national conciliation, bring an end to military conflicts and confrontation, and seek a political settlement on the condition that Pol Pot's followers be completedly removed.

Kapitsa's remarks apparently refer to "what has happened" since Vietnam invaded and occupied Cambodia. The facts are that the military occupation of Cambodia by Vietnam has trampled on Cambodia's sovereignty, independence, and nonaligned status. Moreover, Vietnam has persistently invaded Thailand, imposing a grave danger to the peace and stability of the Southeast Asian region. "What has happened" also includes Vietnam's propping up of the Phnom Penh regime and its control over Cambodia's internal, foreign, and military affairs. Apart from establishing the headquarters of Vietnamese forces invading Cambodia, the Vietnamese authorities also set up "a Cambodian working committee: code-named 478 -- the highest command organ directly sent by the Central Committee of the Communist Party of Vietnam -- which is in charge of the activities carried out by Vietnam in Cambodia, which it occupied. It acted as the "overlord" of Cambodia. The Vietnamese authorities have also kept emigrating large numbers of Vietnamese to Cambodia so as to speed the process of "Vietnamization." To put it briefly, the Vietnamese authorities have turned Cambodia into their colony.

It is self-evident that the meaning of the so-called argument that "what has happened there is irreversible" is that the Soviet Union intends to continue supporting Hanoi's long occupation of Cambodia.

The Vietnamese aggression against Cambodia is a perverse act. To return the Cambodia situation to normal, it is necessary to halt and reverse this perverse course of aggression. Now the Soviet Union has advocated maintaining the current Vietnamese occupation of Cambodia. Moreover, harboring ulterior motives, it has propsed that "Pol Pot's followers be completely removed," in an attempt to exclude Democratic Kampuchea, which resolutely resists Vietnamese aggression. We would like to ask, under these circumstances, how can people begin to talk about bringing "an end to military conflicts and confrontation" and "a political settlement" to the Cambodian issue?

The key to solution of the Cambodian problem lies in the fact that Vietnam must withdraw its forces from Cambodia and the Vietnamese invasion and occupation of Cambodia must be put to an end. The Coalition Government of Democratic Kampuchea has long announced that the tripartite patriotic resistance forces under its leadership will further strengthen unity and cooperation among themselves and persistently continue the struggle against the Vietnamese aggressors. The Chinese people and all peace-loving peoples in the world will continue to support them in continuing their struggle until all Vietnamese aggressors are driven from Cambodia.

Kapitsa's remarks on Cambodia reveal that there has so far been no substantial change in the Soviet Union's attitude and position toward the Cambodian issue. The question of Cambodia is one of the obstacles hindering the normalization of Sino-Soviet relations. [paragraph continues]

The complete troop withdrawal by Vietnam from Cambodia and fair and rational settlement of the Cambodian issue are questions about which the people of China and of the rest of the world are most concerned. However, not only did Kapitsa evade the question of Vietnam's troop withdrawal from Cambodia but he further propagated the notion that "what has happened there is irreversible." Naturally, this is not satisfactory.

RENMIN RIBAO ON BREAK IN ANZUS ALLIANCE

HK030131 Beijing RENMIN RIBAO in Chinese 2 Sep 86 p 6

["Roundup" by Liang Ping: "The Breaking Down of ANZUS"]

[Text] On 27 August, after meeting with New Zealand Prime Minister Lange, U.S. Senate Foreign Relations Committee Chairman Lugar said that it is "possible" that the United States will sign the agreement on the South Pacific non-nuclear treaty by the end of this year. Lugar is the first senior U.S. official to meet Lange since the split among members of the ANZUS pact 2 weeks ago. Before that, Lugar said in Australia that he hoped that U.S.-New Zealand relations and other related things would be improved. All his statements showed that although the United States announced the "suspension" of New Zealand's status in ANZUS, there is still room for negotiation.

New Zealand insists on its policy of prohibiting nuclear warships from entering its harbors, and the dispute between the United States and New Zealand over this issue has lasted for more than 18 months. Not long ago, the United States announced that it has suspended its security obligation to New Zealand after a bilateral ministerial meeting with Australia, and this caused a serious crisis to the 35-year-old alliance and brought it to the brink of disintegration.

The ANZUS pact was signed by Australia, New Zealand, and the United States on 1 September 1951 The main contents of this pact include the point that signatories to the treaty should maintain and develop their independent and common military forces and should take joint action if any of them suffer military attacks. This treaty was of great strategic significance for the United States to build aligned military strength in the Pacific region.

However, defense policy differences appeared inside the alliance in the last 2 years. The Labor Party's government in New Zealand, which came to power in July 1984, insisted on its antinuclear policy, and prohibited American warships that are nuclear powered or armed with nuclear weapons from visiting its harbors. The United States was greatly annoyed at this policy and was determined to retaliate against New Zealand. It cancelled a series of planned military exercises and stopped offering military information to New Zealand in an attempt to force the New Zealand Government to change its antinuclear policy. However, the New Zealand Government did not yield to the United States pressure and continued to adhere to its original position. The ANZUS pact almost stopped all joint actions in the past 2 years.

Late last year, the New Zealand Government submitted to parliament a "bill on a non-nuclear region, disarmament, and arms control in New Zealand" and the bill passed parliament's first reading. The United States held that this move showed that New Zealand had in fact withdrawn from the ANZUS security pact.

In June this year, New Zealand Prime Minister Lange and U.S. Secretary of State Shultz met in Manila, but they failed to solve their differences and parted on bad terms. Thus, the United States finally decided to break all defense relations with New Zealand.

For the first time in the past 35 years, New Zealand did not attend ANZUS's annual ministerial meeting held in San Francisco in August. At that meeting, Shultz announced that New Zealand had violated the ANZUS treaty on a basic issue and the United States could not continue its security commitment to New Zealand. After that, the United States and Australia also issued a joint communique, pointing out that New Zealand's antinuclear policy is harmful to the South Pacific region's defense.

In response, Lange issued a statement, saying that his government will continue to pursue the policy of prohibiting warships carrying nuclear weapons from entering New Zealand's ports in light of the wishes of most New Zealand people. He also refuted the U.S.-Australian joint communique's claim that New Zealand's antinuclear policy has harmed the ANZUS alliance.

Although Australia and the United States have the same position on New Zealand's antinuclear policy, their trade and economic contradictions have further deepened. Australian Foreign Minister Hayden recently again and again criticized the Reagan administration's decision to subsidize the wheat sales to the Soviet Union and other countries, saying that this measure has seriously harmed Australia's interests, intensified Australia's economic crisis, and weakened its capability of effevtively cooperating with its allies.

Although the ANZUS alliance is facing a serious crisis and many knotty problems, none of the three aligned countries really want to see the disintegration of the alliance according to their respective interests as they are confronted with the growing military strength of the Soviet Union in the Pacific region. U.S. Secretary of State Shultz said that the ANZUS pact "has not come to an end" and will continue to "exist on a bilateral basis" between the United States and Australia. He also said that if New Zealand changes its policy, it would be welcomed back to the tripartite aliiance. New Zealand Prime Minister Lange also indicated that New Zealand is willing to, as always, continue to contribute all its strength to the conventional defense of the ANZUS alliance.

MALAYSIA CELEBERATES 29TH NATIONAL DAY

Li Xiannian Greets King

BK301056 Beijing in Malay to Malaysia 0930 GMT 30 Aug 86

[PRC President Li Xiannian's congratulatory message to the Malaysian paramount ruler on Malaysia's 29th national day]

[Text] Your Majesty al-Mutawakkil Allahi Sultan Iskandar, paramount ruler of Malaysia, Kuala Lumpur:

On behalf of the Chinese people and myself, I would like to extend my warm congratulations and best wishes to your majesty and the Malaysian people on the the occasion of the 29th anniversary of Malaysian independence. I hope that Malaysia will prosper and its people will live happily and that the traditional friendship between the peoples of our two countries will continue to grow.

[Signed] Li Xiannian, president of the People's Republic of China,

Beijing, 30 August 1986

Zhao Ziyang Greets Mahathir

BK301058 Beijing in Malay to Malaysia 0930 GMT 30 Aug 86

[PRC Prime Minister Zhao Ziyang's congratulatory message to Malaysian Prime Minister Datuk Sri Dr Mahathir bin Mohamad on Malaysia's 29th national day]

[Text] Your Excellency Datuk Sri Dr Mahathir bin Mohamad, prime minister of Malaysia, Kuala Lumpur:

On behalf of the Chinese Government and people and myself, I would like to extend my warm congratulations and best wishes to your excellency and through you to the Malaysian Government and people on the occasion of the joyful 29th anniversary of Malaysian independence. I hope that your government and people will continue to make new successes in a noble mission to develop the country. I hope that friendly relations and cooperation between China and Malaysia will be strengthened as time goes by.

[Signed] Zhao Ziyang, prime minister of the State Council of the People's Republic of China.

Beijing, 30 August 1986.

Wu Xueqian Greets Counterpart

BK301100 Beijing in Malay to Malaysia 0930 GMT 30 Aug 86

[PRC State Councillor and Foreign Minister Wu Xueqian's congratulatory message to Malaysian Foreign Minister Datuk Rais Yatim on Malaysia's 29th national day]

[Text] Your Excellency Datuk Rais Yatim, foreign minister of Malaysia, Kuala Lumpur:

I would like to extend my warm congratulations to your excellency on the occasion of the 29th anniversary of Malaysian independence. I hope that friendship between the peoples of the two countries, China and Malaysia, and good cooperation between the two countries in various fields will grow as time goes by.

[Signed] Wu Xueqian, state councillor and foreign minister of the People's Republic of China,

Beijing, 30 August 1986.

CHINA DAILY EUROPEAN EDITION LAUNCHED 1 SEP

OW011850 Beijing XINHUA in English 1841 GMT 1 Sep 86

[Text] London, September 1 (XINHUA) -- The launching today of the European Edition of CHINA DAILY, the only national English language newspaper in China, was greeted by both Chinese Premier Zhao Ziyang and British Prime Minister Margaret Thatcher.

"The publication of the European edition of CHINA DAILY will surely help to enhance understanding of China among the Chinese people and the people of Britain and other Western European countries," said Zhao in his message of greetings.

In her message, Thatcher said in her capacity as British prime minister and President of the European Council, "This will help us to know more about important developments within the People's Republic of China, and their effect upon the lives of its people. It marks a further step in the spirit of cooperation and friendship between China and European countries."

Starting from today, CHINA DAILY is available here as well in the capitals of 13 other European countries, namely Ireland, France, Federal Republic of Germany, the Netherlands, Belgium, Luxemberg, Italy, Denmark, Sweden, Norway, Finland, Austria and Switzerland on the same day that it is published in Beijing.

Its European Edition is printed and distributed by Robert Maxwell's MIRROR newspaper group and is transmitted from Beijing to London via an Indian Ocean satellite.

CHINA DAILY, founded in June 1981, covers a wide range of political, economic, social and cultural events in China, as well as world affairs. It is available almost spontaneously all over the world as it has already been printed and distributed from Kong Kong, New York and San Francisco.

PRC EXHIBITS AEROSPACE TECHNOLOGY AT UK AIR SHOW

OW020038 Beijing XINHUA in English 0007 GMT 2 Sep 86

[Text] Farnborough, September 1 (XINHUA) -- The 1986 Farnborough International Air Show opened here today with some 600 exhibitors from the world's leading aerospace companies displaying their latest models of aircraft and aerospace technology. The seven-day exhibition, the 35th staged by the Society of British Aerospace Companies (SBAC) and the 27th held at Farnborough since 1948, is the biggest aerospace exhibition ever.

Although the stands in the major halls and in chalets have all been expanded and allocated to the 600 exhibitors, there are still 200 would-be exhibitors who "badly wanted to be at Farnborough" but cannot be accommodated.

"What has taken many by surprise is the fact that China as six (actually eight) exhibitors" at the air show's recorded history, the organizers' press release said. [sentence as received]

China, although a late comer on the world's aerospace scene, has brought over models of its latest aerospace technology development, including civil and military aircraft, helicopters and missiles.

On the airfield are some 150 types of the world's latest aircraft from some 20 countries, including Britain, the United States, France, the Soviet Union, Italy, Spain and Canada.

Among the aircraft are two brand-new British aerospace planes, the ATP (advanced turboprop) airliner and the EAP (experimental aircraft program), which are a technology testbed for the EFA (European fighter aircraft) to be build by a four-nation consortium of Britain, West Germany, Italy and Spain. France's Rafale, EFA's potential rival, is also on show with a flying performance today.

About 500,000 guests from around the world, including heads of state, government defense chiefs, purchasing officials, senior airline executives and aviation and air transport industry policy-makers were invited to the show to inspect the latest types of aircraft, aero-engines, missiles, avionics, space vehicles and associated systems, components, computer-controlled systems and sophisticated materials.

The organizers estimated that during the final three days alone, as many as 250,000 visitors will come to the air show.

LI PENG INTERVIEWED ON WEST EUROPE LINKS

HK010133 Beijing CHINA DAILY in English 1 Sep 86 p 1

[By staff reporter Liu Dizhong]

[Text] Chinese Vice-Premier Li Peng predicted yesterday that much closer economic links will be established between China and West Europe.

He called for joint efforts to expand long-term trade and other forms of economc relations, which he said have achieved "remarkable progress" over the past few years.

"My tour of West Europe has convinced me even more of the broad scope and bright prospects for further development of this cooperation," the Vice-Premier said in an exclusive interview with CHINA DAILY on the eve of the launching of the paper's European edition.

Together with Party General Secretary Hu Yaobang, Li in June of this year visited Britian, West Germany, France and Italy, the four major trade partners of China in the European Economic Community (EEC).

Li said there are no political obstacles and conflicts of interest between China and Western European countries. The flexibility West European countries have shown in technology transfer and export of up-to-date equipment to China is evidence that they wish to help speed up China's modernization.

West Europe hopes to see a prosperous China while China expects to see a strong and united West Europe. These similar aspirations, Li said, will not only benefit world stability and peace but also ensure closer economic cooperation between China and West European countries into the next century.

In fact, Li said, the 12-member EEC has become one of China's most important trade partners. Last year, EEC ranked third after Japan and Hong Kong with a total volume of $7.3 billion.

Although China's imports have been reduced this year, Li noted that those from the EEC expanded in the first six months to $2.71 billion, or 19.3 percent of the total. In the same period a year ago, they were $2.18 billion or 14.4 percent.

This year, the China-EEC trade volume is expected to surpass $8 billion. Li expressed the hope it will grow even more. Among the items he cited that China wishes to import are advanced technology, steel, and equipment to upgrade such industries as transportation, energy, communications, electronics, chemistry and metallurgy.

Although China has a deficit in its trade with Western European countries, it does not want to reduce imports to solve the problem. "What we want is for West Europe to buy more from us," Li said.

Coal, cotton, nonferrous metals, and machinery, in addition to agricultural products, textiles and handicrafts could be major export items to West Europe, he said.

"How much we import will, in the end, depend on how much we export," he observed.

The Vice-Premier said that he appreciates the preferential loans Western European countries offer China in support of their exports. These have benefited both China and European countries, Li noted.

He said China also hopes to strengthen co-operation in the use of foreign capital. In the first half of this year, loans, direct investment and commodity credit from EEC countries totalled $275 million, an increase of 29.3 percent over the same period last year. Capital actually put to use in that period shot up 244 percent to reach $333 million, including disbursements on agreements signed earlier.

Joint Ventures

China has used $20 billion in foreign capital in seven years between 1979-1985. "This is a small sum considering the size of China," Li said, adding that some of the loans have been repaid.

"China has a good reputation for honouring its debts, and there is no cause for any anxiety," Li said.

China will be both vigorous and prudent in attracting foreign capital. It will fully consider its ability to service loans while using them, he said.

Equity joint ventures, contractual joint ventures and wholly owned foreign enterprises are the three major forms China uses to attract foreign investment. A series of surveys are now being carried out by the government on how to improve the investment environment for foreigners. Li reiterated that new and more flexible policies are planned giving foreign investors especially favorable terms in maintaining a balance of foreign currency, providing a larger domestic market and encouraging reinvestment with the money they earned in China.

Li said China will open its door wider to the outside world, including both developed and developing countries, both capitalist and socialist countries and both Western and Eastern European countries.

Citing the Soviet Union as an example, Li said Sino-Soviet trade has been increasing and economic co-operation between the two countries is developing in various forms.

On the basis of the five principles of peaceful coexistance, China will also seek to expand cooperation with all countries in areas other than economics, such, as science, technology, culture and education.

HU QILI MEETS SAARLAND PREMIER, DELEGATION

OW021404 Beijing XINHUA in English 1351 GMT 2 Sep 86

[Text] Beijing, September 2 (XINHUA) -- A Chinese Communist Party leader said today that it is China's consistent state policy to develop its long-term, stable and close cooperation with the Federal Republic of Germany.

This was stated by Hu Qili, member of the Political Bureau and member of the Secretariat of the Chinese Communist Party Central Committee, at a meeting with Oskar Lafontaine, minister-president of the Saar state, Federal Germany, and his party in the Great Hall of the People here this afternoon.

Hu was pleased to note that bilateral cooperation in every field has been strengthened over the past few years. He said there exist favourable conditions for the development of their relations. Both countries have neither fundamental conflicts of interest nor contradictions. They all stand for safeguarding world peace and desire to make efforts for the promotion of peace and disamrament. China regards itself as a force for peace and regards many European countries in the same way, he added.

Hu said the Federal Germany's highly developed science and technology, its people's earnest attitude towards the work and their spirit of responsibility have won reputation from the Chinese people.

He said China is in a stage of stable and coordinative development politically and economically and engaging in a large-scale modernized construction, thus providing favourable conditions for closer cooperation between the two countries.

It is important for leaders of the two countries to discuss major international issues so as to deepen mutual understanding and further develop bilateral relations, Hu added.

Lafontaine said people from all walks of life in Federal Germany are interested in developing their country's relations with China. The Social Democratic Party also hopes to expand its relations with the Chinese Communist Party. The delegation is here to seek ways for further growth of bilateral relations, he said.

Zhu Liang, head of the International Liaison Department of the CPC Central Committee, was present on the occasion. Later Hu gave a dinner for the visitors.

Lafontaine and his party arrived here for a two-week long visit to China yesterday as guests of the Chinese Communist Party. This morning, Li Shuzheng, deputy head of the International Liaison Department of the CPC Central Committee, held talks with Lafontaine.

FRG MINISTER BANGEMANN IN SHANGHAI, BEIJING

Tours Shanghai Enterprises

OW301650 Beijing XINHUA in English 1439 GMT 30 Aug 86

[Text] Shanghai, August 30 (XINHUA) -- Federal Germany will expand its trade with China over the long term, Dr. Martin Bangemann, Federal German minister of finance, said here today when he visited a vehicle joint-venture factory set up between China and Federal Germany in Shanghai.

After visiting the Shanghai Dazhong Vehicle Co Ltd, the largest joint venture between China and Federal Germany, the minister said, in recent years the two countries have established joint-venture enterprises and signed about 300 contracts of cooperation. So far, China has become the most important trade partner of Federal Germany in Asia except Japan, he said. "In 1985, Federal Germany exported 6.4 billion marks-worth of goods to China and the export volume in the first half of this year reached 2.8 billion marks."

Asked how to lessen the adverse balance of trade between the two countries, Bangemann said, "First, the two sides should show solicitude for the further increase of China's exports to Federal Germany. Federal Germany has already lifted the quota on Chinese exports and hopes that more and more Chinese products of high quality will enter the market. Secondly, joint-venture enterprises of the two countries will also contribute to this."

The minister hopes that China will take part in the international technical fair in Hanover next year so as to give a better introduction of the Chinese commodities to the entrepreneurs of Federal Germany. Bangemann and his party left Shanghai for Beijing today to participate in the meeting of the fifth mixed commission of the two countries.

Confers With Song Ping

OW020926 Beijing XINHUA in English 0758 GMT 2 Sep 86

[Text] Beijing, September 2 (XINHUA) -- Song Ping, state councillor and minister in charge of the State Planning Commission, met Martin Bangemann, Federal German minister of economics, here this afternoon. They conferred on bilateral economic cooperation and exchange notes on the holding of regular seminars concerning economic development and management in China and Federal Germany.

At the annual seminar, to be convened in turn in Beijing and Bonn each year, government officials and academic representatives of the two countries will discuss subjects of common interest so as to deepen the mutual understanding of the economic circles of the two countries.

Leads Economic Delegation

OW020928 Beijing XINHUA in English 0829 GMT 2 Sep 86

[Text] Beijing, September 2 (XINHUA) -- The Mixed Committee for Economic Cooperation Between China and the Federal Republic of Germany met here today for its fifth sesson to study ways to further economic cooperation and trade between the two countries.

Zheng Tuobin, Chinese minister of foreign economic relations and trade, and Martin Bangemann, Federal German minister of economics, attended the opening ceremony of the session. They also exchanged views on furthering economic relations and trade between the two countries before the opening ceremony.

Members of the German delegation led by Bangemann include German officials of foreign and economic affairs as well as senior executives of over 20 corporations and banks. They will explore the possibilities for further cooperation between the two countries with their Chinese counterparts at the three-day meeting.

Federal Germany is by far China's largest West European partner in economic cooperation and trade. However, China is now suffering a large deficit in its trade with Federal Germany. Trade volume for the two countries last year reached over three billion U.S. dollars, an increase of 38.2 percent over the previous year and an all-time high. China's exports to Federal Germany during the same period were valued at only 678 million U.S. dollars against some 2.4 billion U.S. dollars spent on its imports from the same country.

The volume of China's exports to Federal Germany in the first half of this year totaled 397 million U.S. dollars, a jump of 34.4 percent over the same period of last year, ending its continued decrease in exports for the past two years. During the same time, to total volume of trade between the two countries rose by 44.4 percent to 1.762 billion U.S. dollars.

China's exports to Federal Germany are mainly native an animal products, medicine, handicrafts, grain and edible oil, while its major imports are steels, machinery, equipment, technologies and chemical materials.

Federal German firms signed contracts with Chinese firms for opening five joint-venture enterprises in China last year, bringing the total of the Sino-Federal German joint ventures to twelve. This number accounts for only 0.5 percent of Chinese-foreign joint ventures in China. The Chinese Minister Zheng is scheduled to give a dinner for the Federal German delegation this evening.

Li Peng Meets Minister

OW031148 Beijing XINHUA in English 1022 GMT 3 Sep 86

[Text] Beijing, September 3 (XINHUA) -- Chinese Vice-Premier Li Peng met Martin Bangemann, Federal German minister of economics, here today. Bangemann is leading a delegation to attend the fifth session of the Mixed Committee for Economic Cooperation Between China and the Federal Republic of Germany. Principal members of the delegation were also present at the meeting.

Li told the guests that economic cooperation and trade relations between China and Federal Germany was quite good. "China is willing to support, as always, the joint ventures and projects involving cooperation between the two countries and hopes to open up new areas of cooperation," he added.

Bangemann said one of his purposes in leading a big delegation to attend the committee session is to solve unfavorable trade balance on the part of China in bilateral trade. He held that this problem can be solved gradually by improving traditional trade patterns, opening up new areas and improving investment environment in China.

Li suggested that China supply, on a long run and in a stable way, cotton and other products to Federal Germany so as to help solve China's trade imbalance.

Hu Yaobang Meets Bangemann

OW031800 Beijing XINHUA Domestic Service in Chinese 1308 GMT 3 Sep 86

[By reporter Zhang Rongdian]

[Text] Beijing, 3 Sep (XINHUA) -- The Federal Republic of Germany has all along been China's trusted partner in economic cooperation, said Hu Yaobang, general secretary of the CPC Central Committee, at a meeting with Martin Bangemann, Federal Germany's minister of economics, and his party in the Great Hall of the People this afternoon.

Bangemann is in Beijing leading a delegation to the fifth meeting of the Joint Committee for Sino-Federal German Economic Cooperation.

Hu Yaobang said that in the economic cooperation between the two countries, some questions always require consultations from time to time, for example, China's deficit in the trade between the two countries.

Bangemann said: "We wish to do our best to see that more Chinese goods are exported to Federal Germany and are willing to supply China with whatever commodities it needs." He expressed the hope that economic and trade cooperation would continue to develop between the two countries.

In their conversation, Hu Yaobang praised Bangemann's proposls that the two countries cooperate to develop new products and that China improve its investment climate. Our friends in Federal Germany, he said, can rest assured that China will make further efforts to improve its investment climate.

Bangemann said that this would induce more Federal German entrepreneurs to investe in China.

Briefing Bangemann on the reform being conducted in China, Hu Yaobang said that China's reform work has a bearing on whether its economy can develop continuously and steadily and whether its political situation will remain stable over the long term. Since the overwhelming majority of Chinese welcome reform, he said, China will not sway in its determination to conduct reform. He added: "As can be seen at present, if our reform is limited to the economic field, some tasks cannot be accomplished. We must also reform our political system so as to work successfully."

Bangemann gave a return banquet this evening at the Great Wall Hotel. Among those invited to the banquet were Song Ping, state councillor and minister in charge of the State Planning Commission; Zheng Tuobin, minister of foreign economic relations and trade and leader of the Chinese delegation to the fifth meeting of the Joint Committee for Chinese-Federal German Economic Cooperation; Yu Hongen, minister of coal industry; Qin Zhongda, minister of chemical ind;ustry; and Qi Yuangjing, minister of metallurgical industry.

ZHANG JINGFU RECEIVES FRG ENTREPRENEURS 2 SEP

OW020618 Beijing XINHUA in English 0559 GMT 2 Sep 86

[Text] Beijing, September 2 (XINHUA) -- Chinese State Councillor Zhang Jingfu met here this morning Heinrich Weiss, chairman of the SMS Schloemann-Siemag Corporation of the Federal Republic of Germany, and his party. Zhang thanked Weiss for his firm's cooperation with China in providing technologies and equipment for the second phase of the construction of the massive Baoshan Steel Works near Shanghai.

Zheng later hosted a luncheon for Weiss, Hans Neglein, director of the Siemans Corporatin, and Franz Sieverding, director of the Mannesmann Demag Corporation.

ZHANG JINGFU MEETS FEDERAL GERMAN VISITORS

OW030748 Beijing XINHUA in English 0654 GMT 3 Sep 86

[Text] Beijing, September 3 (XINHUA) -- Chinese State Councillor Zhang Jingfu met here today Otto Wolf Vonameronoen, president of the East Economy Committee of the Federal Republic of Germany, and his party.

CHEN PIXIAN RECEIVES AUSTRIAN DELEGATION

OW011430 Beijing XINHUA in English 1215 GMT 1 Sep 86

[Text] Beijing, September 1 (XINHUA) -- Chen Pixian, vice-chairman of the Standing Committee of the Chinese National People's Congress, greeted a delegation from the Austrian Federation of Trade Unions here today.

Anton Benya, president of the federation and of the National Council, led the party to China on August 31 at the invitation of the All-China Federation of Trade Unions.

Chen introduced the Austrian guests to the workings of the National People's Congress and the development of Chinese socialist law, and afterward hosted a banquet for them. On behalf of the Standing Committee, Chen invited the Austrian National Council to also send a delegation.

Zhao Dongwan, minister of labor and personnel, was also on hand to greet the guests.

CPC DELEGATION DEPARTS FOR LUXLEMBOURG 31 AUG

OW311553 Beijing XINHUA in English 1440 GMT 31 Aug 86

[Text] Beijing, August 31 (XINHUA) -- A Chinese Communist Party delegation led by Rui Xingwen, member of the CPC Central Committee and secretary of the Shanghai Municipal party committee, left here for a friendly visit to Luxembourg at the invitation of its Communist Party.

BEIJING MEETING LAUDS OPEN CITIES' ACHIEVEMENTS

OW030905 Beijing XINHUA Domestic Service in Chinese 1154 GMT 1 Sep 86

[By reporter Yu Youhai]

[Excerpts] Beijing, 1 Sep (XINHUA) -- Lianyungang City, little known among China's coastal cities in the past, has become another eye-catching site of economic and technological exchange between China and other countries. It has done so by strengthening cooperation with 11 provinces and autonomous regions along the Longhai-Lanzhou-Xinjiang Railway, which connects Jiangsu in the east and Xinjiang in the west, and by accelerating its economic development by bringing in funds and advanced technology from abroad. In recent years, the city's exports to foreign markets have increased manyfold. The comment made by personages of economic circles from such countries as France and the United States who inspected the city has been: It is a city with favorable conditions, great potential, and bright prospects. Currently Lianyungang City is an epitome of the 14 coastal cities which opened to the outside world following the decision made in April 1984 by the central authorities to further carry out such a policy. The 13 other open coastal cities are Shanghai, Tianjin, Dalian, Qinhuangdao, Yantai, Qingdao, Nantong, Ningbo, Wehzhou, Fuzhou, Guangzhou, Zhanjiang, and Beihai. [passage omitted]

In the past 2 years, these 14 cities have signed contracts for more than 1,200 projects involving direct investment by foreign companies. The total amount of negotiated foreign investments has reached $2.9 billion, with actual investments already exceeding $500 million, four times the total amount for the 5-year period before 1983. [passage omitted]

Procurement of export commodities in each open coastal city has also increased considerably. Before opening to the outside world, the amount of export commodities procured in Lianyungang City in 1983 was only 87 million yuan; by 1985, it had increased to more than 114 million yuan. Moreover, it reached 109 million yuan in the first half of this year, an 85 percent increase over the corresponding period last year. [passage omitted] A just-ended discussion meeting in Beijing on strategies for city ports opened to the outside world, while confirming the above-mentioned achievements of these cities, highly praised what these 14 cities have done in such fields as broadening horizons for the people, training personnel, changing the old closed economic system into a new one, and establishing the concepts of economic and technological exchanges at home and with other countries and of developing a commodity economy which can compete in international markets. The meeting was sponsored by the China Development Research Center under the State Council. At the meeting, specialists, scholars, and cadres from the central authorities and other localities reviewed the suggestion, "it is important to open to the outside world in order to revitalize our economy; therefore, restraint is out of the question," made by comrade Deng Xiaoping when he inspected Tianjin not long ago. [passage omitted]

The meeting pointed out that although objective conditions for opening to the outside world are very favorable, the key is to make subjective efforts in the following two aspects: on the one hand, leading departments concerned should enhance macro-economic control so as to create conditions for the cities to further open to the outside world; on the other hand, the coastal cities opening to the outside world should digest and consolidate their achievements; they should not start too many new projects, but pay attention to strengthening the existing enterprises, increasing investment yield, and improving product competitiveness. By making these great efforts, the "gold coast" will become more vibrant, thus further expediting the development of China's socialist modernization.

CHINA DAILY REPORTS PROGRESS OF SPECIAL ZONES

HK040109 Beijing CHINA DAILY in English 4 Sep 86 p 1

[By staff reporter Liu Dizhong]

[Text] Early successes have been achieved by China's four Special Economic Zones (SEZ) in their bid to become profitable exporters of industrial products.

Shenzhen, the largest of the four SEZs, exported $320 million of goods in the first half of this year, an increase of 24.4 per cent over the same period a year ago. Its exports of industrial products increased by 51.7 per cent.

Exports by Zhuhai, Xiamen and Shantou SEZs also rose in value in the first six months of this year.

Apart from Hong Kong, their products had broken into the markets of more than 10 countries and regions.

"This indicates a bright future for the development of the Special Economic Zones, said He Chunlin, director of the SEZ Office under the State Council, in an interview with CHINA DAILY.

To build an export-oriented economy in the SEZs with industry as the main component was "the major and strategic target" set by the Central Government, he said.

Foreign investment and close economic ties with their hinterland have boosted the industry in these zones. The industrial output value of Shenzhen hit a record 1.45 billion yuan in the first half of this year, up 13.1 per cent on the part of 1985. Last year, the total industrial output value of the four SEZs was 500 per cent up on 1980 when the zones were established.

Over the past five years, they had attracted nearly 1.2 billion direct investment from abroad, around a fifth of the total international investment in the country.

The overwhelming majority of the investment had been from Hong Kong, Macao and Southeast Asian countries. But now investment from Western Europe and North America accounted for 25 per cent of the total, up from less than 5 per cent in 1982, he said. More than 50 countries and regions had invested in the zones.

Good Results

He said most of the foreign firms had achieved "beneficial results" in the zones, mainly through joint ventures, co-operative production and wholly-owned enterprises.

And there had been similar success for other international enterprises throughout the country.

The economic rate of return on industrial enterprises with foreign investment in Tianjin, the biggest industrial base in North China, reached 24 per cent last year while the figure of the State-owned industrial enterprises was only 14 per cent.

Agreements signed with foreign entrepreneurs dropped in China in the first half of this year, but direct investment in the country increased by 6.9 per cent over the same period of 1985.

This showed that international investment had shifted to projects of production which usually used more funds, "this is an excellent phenomenon in attracting foreign capital." he said.

He noted the complaints of investors from abroad about insufficient credit funds, short supply of raw materials and energy shortages.

These problems also existed in China's state-owned enterprises, he said, but they could be overcome as the national economy develops.

The central government "is making tremendous efforts to improve the situation by adopting various new and flexible measures," he said.

LIAOWANG ON INCENTIVES FOR FOREIGN INVESTORS

HK040053 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 34, 25 Aug 86 pp 8, 9

[Article by Li Qin and Chen Lian: "China Creates New Conditions for Foreign Investors"]

[Excerpts] There has been much talk recently in overseas circles about Chinese-foreign joint-venture enterprises, cooperative enterprises, and foreign-funded enterprises in China. Certain foreign dispatches say that the investment environment in China has become so unfavorable as to reach the stage that new investors will no longer invest in China. Existing investors are seriously considering the withdrawal of capital. It is also said the some foreign entrepreneurs and financiers worry about a likely change in China's preferential treatment policy to provide incentives for foreign investments.

What is the actual situation of China's gradual investment of the investment environment? Will there be a change in the preferential treatment policy of encouraging foreign investors? Is China being unresponsive or taking a positive attitude in solving the problems encountered by enterprises run on a cooperative basis or financed by foreigners? We can know the actual situation by just taking a look at the facts.

Results Impressive and Problems Not Few

According to statistics by the PRC Ministry of Foreign Economic Relations and Trade, from 1979 to the first half of this year, China approved more than 6,700 Chinese-foreign joint-venture enterprises, cooperative enterprises, and totally foreign-funded enterprises. These comprised 2,645 Chinese-foreign joint-venture enterprises, 4,075 Chinese-foreign cooperative enterprises, and 130 totally foreign-financed enterprises. Of these, about 5,400 had registered.

More than one-third of the enterprises had gone into production or operation. In the same period, 35 agreements on cooperative offshore oil prospecting and exploration were signed. The total amount of investment agreed upon stood at $16.3 billion. Foreign businessmen had actually put in $4.7 billion (not including compensatory trade).

For long-isolated China, such rapid development of Chinese-foreign joint-venture enterprises in 6 or 7 years, objectively speaking, is a case of impressive results having been achieved. Moreover, as far as enterprises already put into production or operation are concerned, the economic results of most are relatively satisfactory. but there is no denying that various economic forms of Chinese-foreign joint investment are still in their initial stages. The existing scale still cannot be considered large. Moreover, in the process of carrying out cooperation, difficulties and problems of all kinds have also been run into. for example, there are problems like an imbalance in foreign exchange, relevant laws and regulations being not perfect enough, procedures for sending out foreign businessmen's realized profits being too numerous and complicated, raw material supplies not being provided in good time, and so forth.

Relevant experts point out that the factors giving rise to these problems involving chinese-foreign joint-venture enterprises are many-sided. The rise of the yen and the fluctuations in the U.S. dollar on the international scene, the tight money situation in China, and the existing system being not adapted to joint-venture enterprises are all factors causing problems in joint-venture enterprises. They consider understandable the appearance of the problems in some chinese-foreign joint-venture enterprises. Investing in the launching of enterprises in any country or region is not all smooth sailing. The important thing is whether problems are taken seriously and solved quickly.

A Timetable

In solving problems facing Chinese-foreign joint-venture enterprises, China has all along made vigorous efforts and has achieved results. You may as well take a look at the following timetable:

In June this year, a relevant department of the Chinese Government invited people of Chinese-foreign joint-venture enterprises in Beijing to a forum held in a warm atmosphere. The chinese side seriously listened to what foreign businessmen said. Both sides discussed some concrete measures to solve problems.

As recently as this month, State Councillor Gu Mu summoned governors and mayors from some provinces and municipalities directly under the central government in Beijing to penetratingly discuss problems involving Chinese-foreign joint-venture enterprises. Some concrete measures to solve problems were put forth.

On 11 July, on the problem of further improving the production and operating conditions for foreign enterprises, the State Council issued a notification to various provinces, autonomous regions, and municipalities directly under the central government throughout the country and various ministries and commissions of the State Council containing eight concrete measures to encourage foreign businessmen's investment in business operations.

Beijing, Tianjin, Shanghai, Guangdong, Dalian, Gingdao, and other areas successively promulgated new measures giving foreign businessmen more favorable terms.

On 7 August, Premier of the State Council Zhao Ziyang met in Beidaihe with a number of people of petrochemical enterprises and in financial circles from Japan, the United States, the FRG, and Britain. Zhao Ziyang said: China welcomes foreign loans in various forms and hopes that foreign companies will actively come to invest in China. He stressed: Concerning existing problems, China is prepared to seriously seek a solution.

On 14 August, CPC Central Committee Secretary Hu Qili and State Councillor Gu Mu inspected areas devoted to economic and technical development in Tianjin Municipality and visited Chinese-foreign joint-venture enterprises already built or under construction. They stressed the need to do a good job of construction in areas devoted to economic development. [passage omitted]

Continuous Perfection of Tax Laws Involving Foreigners

The kind of attitude that China assumes toward foreign enterprises in the matter of taxation is also a problem of great concern to foreign investors. A responsible person of the General Taxation Department of the Ministry of Finance stressed in a statement at a news conference not long ago that the provisions in the tax laws involving foreigners that encourage foreign entrepreneurs and financiers to invest in the building of enterprises in China are by no means temporary expedients. [passage omitted]

As far as existing laws and regulations are concerned, China's preferential treatment of foreign businessmen is embodied. For example, the tax rates paid by foreign investors who invest directly in the launching of enterprises in China are low. China has also adopted such means as granting enterprises income tax reductions or exemptions on a regular basis, allowing the shortening of the period set for depreciation, and so forth to encourage investment by foreign businessmen.

China has not only practiced the principle of allowing foreign enterprises a light tax burden and preferential treatment but also worked out many appropriate tax reduction or exemption rules involving foreign businessmen's investment in special economic zones and areas that have opened up.

Since the promulgation by China of various tax laws involving foreigners, they have been hailed and viewed with concern by people of all walks of life at home and abroad. Many people in foreign business and financial circles have held the view that China's tax laws involving foreigners have concretely embodied China's national policy of opening up and are attractive. It is learned that with an increase in the business of taxation involving foreigners, taxation departments in various provinces, regions, and cities have now appropriately set up organs in charge of matters of investigation and taxation involving foreigners and staffed them with relevant tax collection personnel. All facilities and conditions to be provided for foreign businessmen are being actively created.

Zhao Ziyang Gives Out Important Information

As mentioned above, the important speech by Premier Zhao Ziyang to a number of foreign entrepreneurs and financiers in Beidaihe in August aroused concern in various quarters. This was because Zhao Ziyang's taking up China's investment policy once again showed that China welcomed the sincere desire of foreign investors. More important, he raised in a down-to-earth manner problems encountered in China's drawing on foreign funds and suggested several ideas that could give preferential treatment to foreign investors involved in direct investment.

Zhao Ziyang pointed out that if foreign manufacturers and businessmen come to invest in the building of enterprises in China and sell their products abroad, China can give them special terms regarding wages, land fees, and various other expenses. This will enable them to enjoy obvious competitiveness by investing in China -- greater competitiveness than if they invested in any other place. If foreign businessmen come to build enterprises in China with products sold there and with realized earnings reinvested there, China can also allow special terms regarding wages, land fees, and various other expenses. If foreign investors do not send out realized profits in foreign exchange and instead use the money to buy Chinese products, China can give them more liberal terms.

Zhao Ziyang said: "I think that more ways can be thought out. In a word, so long as both sides can find out a way to solve the problem of foreign exchange on the basis of equality and mutual benefit, foreign companies can have great scope for development in China. They can more fully avail themselves of China's vast market and such favorable conditions as labor, relatively low prices, and so forth. In promoting other countries' cooperation with China, we can also attract foreign capital in a more liberalized manner."

Zhao Ziyang also revealed: The Chinese Government is now considering the adoption of various concrete measures to further strengthen cooperation involving capital from China and other countries.

China's efforts to overcome the obstacles standing in the way can be seen by all. It is also making continuous efforts toward the same end. China is a market with great potential and can provide land and labor cheaper than on the international market. China has rich resources...All this is recognized by all farsighted entrepreneurs. More important, China has thrown open the gates to economic cooperation with foreign countries. The guideline of opening up to the outside world is firm and unchanging. The path to Chinese-foreign cooperation can surely become increasingly wider.

XI ZHONGXUN PRAISES JIANGXI'S EXPORT COMMODITIES

OW040344 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 2 Sep 86

[Excerpt] According to a special dispatch from our reporter Gao Hua in Beijing, our province's products displayed at a national exhibition of export commodities from village and town enterprises were praised by leading comrades at the central level as well as by Chinese and foreign visitors. The national exhibition of export commodities from village and town enterprises opened on 27 August in Beijing. In the past few days, leading comrades at the central level, including Xi Zhongxun, Yao Yilin, and Chen Muhua, visited the Jiangxi pavilion at the exhibition. With great delight, Xi Zhongxun said: Jiangxi has rich resources and other favorable conditions. It will take only a few years for the province to become well-to-do. Huang Hua wrote an inscription for the Jiangxi pavilion, reading: A new spring has come to the old revolutionary base area. Liao Hensheng also wrote an inscription, which read: Develop village and town enterprises to enrich the people's daily life. [passage omitted]

SONG PING ON IMPROVING ECONOMIC MANAGEMENT

OW030901 Beijing XINHUA Domestic Service in Chinese 1029 GMT 2 Sep 86

[By reporter Ge Daxing]

[Text] Beijing, 2 Sep (XINHUA) -- Song Ping, state councillor and minister in charge of the State Planning Commission, emphatically pointed out today: Reforming the economic structure, including establishing a new macroeconomic management system, is a new exploratory task. To fulfill this task, we must focus on the study of issues regarding macroeconomic management and create a democratic political environment.

More than 100 theoreticians in the economic field attended a conference in Beijing today to study the major practical problem of how to strengthen and improve macroeconomic management at present. In his speech, Song Ping said: In a certain sense, the reform of the economic structure in China is mainly aimed at changing the old planning system, which is incompatible with socialist economic development, at achieving organic integration between planning and market control and between macroeconomic control and microeconomic flexibility, and at helping the national economy develop in a coordinated and highly efficient manner. As the reform becomes more profound, some economic activity has gotton out of control. In this situation, to study, explore, and create a new planning system and a new mode of macroeconomic management is of great immediate significance. He emphathically pointed out: We must develop a course for us to follow. One of the prerequisites is to persist in proceeding from reality, seek truth from facts, hold fast to the truth, make bold explorations, and encourage people to put new issues on the table and exchange views.

Attending the conference were veteran theoreticians in the economic fields who enjoy high prestige as well as active middle-aged and young theoreticians. In the next few days, they will concentrate on studying various major issues in macroeconomic management such as how to reform the pluming system, exercise effective control over investment, loans, and consumer spending, and strengthen planned management at the central and local level in the course of developing lateral economic integration. Well-known economist Xue Muqiao expressed his views on using economic means to strengthen macroeconomic control.

Xue Muqiao said: On the basis of our experience in the past several years, we must strengthen macroeconomic control while relaxing microeconomic control in order to reform the economic structure and strike a balance between total demand and total supply in society. After fully analyzing China's economic situation and existing problems, he pointed out: In exercising macroeconomic control, we must gradually replace administrative means with economic means. The most thorough method to bring into full play the role of market prices in regulating the economy is to relax price control and regulate the economy by means of market prices. In this way, the principal method for exercising macroeconomic control is mainly through financial departments and banks. Financial departments, for example, control the scale and use of investments, while banks use loans and interest rates to achieve the same goal.

Xue Muqiao added: At present, as the new system supersedes the old, a certain amount of administration is still needed for exercising macroeconomic control, although we must make use of economic means as much as possible. This does not mean that we must expand mandatory planning. It rather means that the government should urge management departments at all levels to earnestly carry out coordination and consulation in production and construction. This kind of coordination and consultation must be conducive to using economic means in exercising macroeconomic control and to reforming the economic structure. Under no circumstances should they make us go backwards.

GANSU MEETING REVIEWS REMARKS BY WAN LI, HU QILI

HK290241 Lanzhou Gansu Provincial Service in Mandarin 2200 GMT 28 Aug 86

[Text] The provincial party commttee held a gathering in the provincial government hall on 28 August to relay the spirit of speeches delivered by Comardes Wan Li and Hu Gili during their inspection of Gansu. From 18 to 22 August, Wan Li, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, and Hu Qili, member of the Political Bureau of the CPC Central Committee and member of the Central Secretariat, paid inspection visits to Lanzhou, Dunhuang, and the arid area of eastern Gansu. They delivered important instructions on protecting cultural relics, greening the urban and rural areas, [words indistinct], and the comprehensive harnessing of small river courses. They also fully endorsed the development of the province's rural economy and the successes in urban planning.

The gathering was attended by leading comrades of the party, government, and army including Li Ziqi, Li Xuanhua, Huang Luobin, Liu Bing, Jia Zhijie, Lu Kejian, Li Dengying, Yang Zhilin, Li Keru, Ma Zuling, Wang Jintang, Ge Shiying, (Chen Xu), Guo Hongchao, Wang Yaohua, Liu Lanting, Li Qiyang, Xing Anmin, Yang Fuxin, (Li Fusheng), (Wang Daoyi), Lu Ming, and Zhang Wule. Also present were responsible comrades of provincial departments and units, large factories, mines, and other enterprises in Lanzhou, and institutes of higher education and research units, totalling some 1,200 persons.

Bodies Praise Gansu

OW030903 Beijing XINHUA Domestic Service in Chinese 1051 GMT 1 Sep 86

[Text] Beijing, 1 Sep (XINHUA) -- The Standing Committee of the National People's Congress and the State Council on 31 August sent a message to the Standing Committee of the Gansu Provincial People's Congress and the Gansu provincial people's government to warmly greet the 30th founding anniversary of Linxia Hui Autonomous Prefecture. The greeting message says: Led by the Gansu Provincial CPC Committee and the Gansu provincial people's government, the people of various nationalities of the autonomous prefecture have united as one, worked with concerted efforts, struggled hard in the spirit of self-reliance, and made important achievements in socialist revolution and construction. In particular, since the convocation of the 3d Plenary Session of the 11th CPC Central Committee, they have actively carried out reform of the economic structure, adhered to the policy of opening to the outside world and invogorating the economy, and hastened the development of economic and cultural work in the autonomous prefecture. In the meantime, they have constantly consolidated and developed socialist relations among the various nationalities. Thus they have brought about a significant change to the outlook of the autonomous prefecture.

The message adds: The Standing Committee of the NPC and the State Council hope that the people of all nationalities in Linxia Autonomous Prefecture will further strengthen their unity; develop their honorable tradition of working hard through struggle; continue to adhere to the policy of carrying out reform, opening to the outside world, and invigorating the economy in line with the local conditions; conscientiously implement the National Autonomy Law; develop economic work; promote civilization; and work hard to successfully filfill the Seventh 5-Year Plan and build Linxia into a united, prosperous and civilized autonomous prefecture and our country into a modern and powerful socialist state with a highly developed democracy and civilization.

SUBMARINE COLLEGE OFFERS VARIED CURRICULA

HK010304 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0312 GMT 28 Aug 86

[Report by ZHONGGUO XINWEN SHE reporter Zhang Xinxin: "Probing the Mystery of the Submarine College of the Chinese Navy"]

[Text] Qingdao, 28 Aug (ZHONGGUO XINWEN SHE) -- The Chinese Navy is attracting world attention with its increasingly modern equipment and training. As an important arm of the Chinese Navy, China's submarines are catching up with the most advanced submarine technology in the world. Recently, this reporter visited the Submarine College of the Chinese Navy. This is the only institute of higher education related to submarine in Asia and it has trained nearly all the commanders and sailors on Chinese submarines.

The Submarine College of the Chinese Navy is situated along the sea coast at Qingdao. A huge golden anchor stands at its gate and shines in the morning sunlight. At the gate, I met a group of young officers who are taking a course for submarine captains. They were all in trim uniforms and marched in step and their eyes shone under the golden medals of their caps.

At the gate of the main school building I saw a huge oil painting by the side of the stairs. In the painting there is a submarine breaking the waves and sailing on the surface of the sea. A sailor said: "This painting shows my ambition!" I could not help ask him, "Do you like being a sailor on a submarine?" With a grimace, he said, "There is a river in my homeland where I learned to swim. I have thus learned how to swim under water and I have been recruited because of that good skill." "No, to be a sailor is not my ambition," said another sailor, "I want to be a fleet commander." Quite a few officers and sailors say that their ambition is to become an admiral. It is said that this has something to do with the influence of the college. For there are indeed quite a few fine graduates of that college among the deputy commanders of Chinese Navy and among fleet military base commanders.

The college was set up in the early 1950's and has now roughly taken shape. It is renown as the "blue cradle" that is, it specializes in training commanders in various levels of battle techniques, diving technique commanders, professional submarine and diving petty officers and sailors for regular submarine and for newer types of submarines. It is said that the college has many specialities including navigation, missiles, and torpedoes and that there are about 2,000 students and several hundred instructors with some experience in the college, and that the college has trained thousands of officers and tens of thousands of submariners. Commandant Gao Zhenjia said that the Chinese Navy is implementing a principle of positive defense and regional operation; therefore in the near future, it will stress the development of modern conventional and nuclear submarines. Commandant Gao said: "Therefore, there is an increasingly urgent need to improve the quality of the officers and sailors on our submarines."

Gao Zhenjia is from the first generation of submarine officers in the Chinese Navy. In early 1950's, he was among a group of Chinese officers who learned submarine technology in the Soviet Pacific Fleet. After he finished his study, he served on a submarine imported from the Soviet Union. He was first a department head and then promoted to submarine captain and then to deputy commander of the Chinese Navy. He said that in the face of increasingly heavy tasks, the college will improve itself and begin to train masters in the 1990's. At the end of this century, the college will become China's submarine training and scientific research center.

Shi Yexiong, 51, an instructor at the college, was not so majestic-looking as Commandant Gao. He wore a pair of thick glasses for his myopia and a pair of old leather shoes, but he took part in the research into and manufacture of a submarine attack simulator for military training, which was a first-class scientific research achievement for the Chinese forces. When this reporter entered the laboratory, he heard Shi Yexiong give the order for an operation, then he heard a voice from the simulation room: "Target found!" "What is the position?" "Three, one, two!" "Prepare to attack!" At that time, a gunship appeared on the television screen in the control room. An officer was turning the periscope of the simulator and another officer was operating a computer system. Shi Yexiong said that the simulator is an on-line data processing system with a 16-bit microcomputer linked with a real time simulation system consisting of 36 pieces of equipment. Commandant Gao told this reporter that the college had carried out many scientific research projects. Last year, it completed over 20 research projects, of which six won scientific awards granted by the state or the PLA. The submarine attack simulator for military training, of which Shi Yexiong took part in the development, won grade-one award at the national computer application exhibition.

"I miss my family very much," said Li Dunshou, a gentle student. "I was recruited by the Submarine College through the National Matriculation Examination the year before last. When I first came to the college, I found the military discipline was too strict and the diving activities were very difficult. At that time, I was very homesick." He said that, "However, I soon became accustomed to this kind of life. For the rich knowledge needed by a submarine officer attracted me." He said that in order to become an officer, he had to take more than 40 courses and in addition some elective courses such as psychology, ethics, Western philosophy, and Western economics. Wu Xiaona, a student taking the general course, said that the college was changing its closed type of education into an open one.

Chen Jianmin, another submarine captain, is a handsome young man. He might have become an actor, if he had stood before a film camera, but he choose the job of a submarine officer. "I have never been seasick when I am in a submarine and I feel fine!" he said with self-confidence. "Does your girlfriend oppose your choice of a job?" He laughed and said, "It seems that she has never done that."

During my visit, I saw the model of the most advanced submarine that the Chinese Navy has now. It is said that the instructors of the college are taking part in the research and development of a new generation of China's submarines. Wei Cheng, an officer of the college said that the college is lifting its mystic veil to the world. The commander of the U.S. Navy's equipment headquarters, the commander of the Thai Navy, and the chief of staff of the Italian Navy have come to visit the college. Submarine experts of the British Navy have also come to give lectures in the college. "Fighters, fighters, we are China's guards of peace." A student in the college said to this reporter: "We do not want to fight a war for even one day. It is precisely for this purpose that I have become a submarine sailor." He said that safeguarding peace is an article of faith for China's submarine officers and sailors.

ACTOR TO PORTRAY DENG XIAOPING IN PLA FILM

HK030422 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1236 GMT 2 Sep 86

[Text] Beijing, 2 Sep (ZHONGGUO XINWEN SHE) -- A portrayal of Deng Xiaoping will appear for the first time on the screen in a Chinese feature film.

The director of Chengdu City Modern Drama Troupe, Qiang Meidi, was chosen to play the part of Deng Xiaoping in a color wide-screen feature film "The Towering Kunlun Mountains," which is being produced by the PLA's August 1 Film Production Company.

The film describes how the CPC Central Committee, Mao Zedong, Zhou Enlai, Zhu De and Peng Dehuai fought battles in various places, and came to northern Shaanxi to command the nationwide liberation war between March 1947 and April 1948. A team of actors and cameramen have gone to Henan to shoot scenes on location. The scenes are mainly about how the great army of Liu Bocheng and Deng Xiaoping pressed onward at Mount Dabei and crossed the flooded area near the Huang He. In these scenes there will be portrayals of Liu Bocheng and Deng Xiaoping.

After graduating from the Central Drama College's Department of Performing Arts, Qiang Meidi pursued his advanced studies in the college's Department of Directors before working for the Chengdu City Modern Drama Troupe. He directed television dramas for the Sichuan Provincial Television Station. The chief producer of the film "The Towering Kunlun Mountains" told me that the temperament and image of Qiang Meidi and Deng Xiaoping were alike.

The film was written by Dong Sheng, and is directed by Mao Guang and Jing Mukui. Wei Duo assumed the post of chief cameraman.

REPORT ON ZHAO'S 6-NATION TRIP SUBMITTED TO NPC

OW022103 Beijing XINHUA Domestic Service in Chinese 0719 GMT 2 Sep 86

[Text] Beijing, 2 Sep (XINHUA) -- Entrusted by Premier Zhao Ziyang, Vice Foreign Minister Qian Qichen submitted a written report today to the 17th Session of the 6th NPC Standing Committee on the premier's visit to six countries -- Romania, Yugoslavia, Greece, Spain, Turkey, and Tunisia. The report said that Premier Zhao's visit was a complete success, achieving its goal as expected.

From 2 to 26 July this year, Premier Zhao Ziyang made an official goodwill visit to Romania, Yugoslavia, Greece, Spain, Turkey, and Tunisia at the invitation of these countries. Qian Qichen said in the report: During this visit, views on the international and regional situation were exchanged with leaders of the six countries; information on the domestic situation was swapped; and discussions were carried out on the development of bilateral relations and, in particular, the expansion of economic and trade relations in the spirit of enhancing understanding, increasing friendship, promoting mutually beneficial cooperation, and safeguarding world peace. Premier Zhao gave briefings on the political and economic situation in our country and stressed that enlivening the domestic economy and opening to the outside world are China's basic national policy, which will be unswervingly adhered to for a long time to come. The six countries appraised highly our accomplishments in carrying out the modernization program and our reform and open policies. Premier Zhao spoke highly of China's friendly and cooperative relations with the six countries. He reaffirmed our country's willingness to continue developing the friendly political relations already existing between China and these countries. The leaders of the six countries expressed satisfaction with the present bilateral relations and stressed that they attached great importance to China's position and role and expressed the hope to further promote friendship and cooperation with our country.

As to what was learned from this visit, the report stated the following: China and the six countries share identical views on a wide range of questions concerning the maintenance of world peace and regional stability.

Enhancing mutual understanding is conducive to promoting common economic prosperity. All six countries have a strong desire to develop economic and trade relations with our country, and we should take a positive and serious attitude in this regard.

RONG YIREN REPORTS TO NPC ON VISIT TO EUROPE

OW022026 Beijing XINHUA Domestic Service in Chinese 0713 GMT 2 Sep 86

[Text] Beijing, 2 Sep (XINHUA) -- Vice Chairman of the NPC Standing Committee Rong Yiren submitted a written report today to the committee's 17th session on the visits to Denmark and Norway by an NPC delegation, saying that the visit enhanced mutual understanding and friendship and deepened confidence in furthering economic cooperation.

Headed by Rong Yiren, the delegation made friendly visits to Denmark and Norway between 30 May and 7 June 1986. Rong Yiren said in the report: During meetings and talks with leaders of the two countries and discussions with public figures of their financial and economic circles, the NPC delegation briefed them on the current political and economic situation and the Seventh 5-Year Plan of our country. We also gave them briefings on our People's Congress system and our efforts to develop socialist democracy and to improve the socialist legal system. In addition, we elaborated on our country's view of the current international situation and its independent foreign policy of peace; told them our desire to seek expansion of economic and technological exchange and cooperation with foreign countries on the basis of equality and mutual benefit; and expressed the hope that both sides would make continued efforts to further their economic, trade, and technological cooperation with a view to attaining common prosperity.

The report stated that the Danish and Norwegian leaders spoke highly of China's role in international affairs and its current reform policy and expressed the desire to further strengthen bilateral friendly relations and to expand economic and technological cooperation. The report set forth a 3-point proposal made by the delegation: 1) To increase friendly contacts with parliaments of foreign countries in the political, economic, and cultural fields so as to enhance understanding and friendship and further develop the peace cause and cooperative relations; 2) to introduce the unique technological expertise of Denmark and Norway into our country, assimilate their successful development experience, and further strengthen the bilateral relations of economic cooperation with them; and 3) to further improve the work of our departments concerned with foreign economic relations and trade so as to meet the needs of continuing to open to the outside world.

UNITED FRONT DIRECTOR ON MULTIPARTY COOPERATION

HK020800 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 34, 25 Aug 86 pp 6-7

[Article by Staff reporter Chen Min: "Give the Democratic Parties a Free Hand in Carrying Out Their Work Independently and With the Initiative in Their Own Hands -- An Interview With Yan Mingfu, the Newly Appointed Director of the United Front Work Department of the CPC Central Committee"]

[Excerpts] Yan Mingfu, the newly appointed director of the United Front Work Department of the CPC Central Committee, stressed to this reporter: It is necessary to give the democratic parties a free hand in carrying out their work independently and with the initiative in their own hands, to strengthen democratic consultation with them, to give scope to their supervisory role, and to institutionalize democratic consultation.

A native of Haicheng County, Liaoning Province, the 55-year-old new director has a good command of Russian. He once worked as a deputy director-in-chief of the China Encyclopedia Publishing House and a deputy secretary general of the NPC Standing Committee. At the end of last year, he replaced Yang Jingren as director of the United Front Work Department.

Multiparty Cooperation is the Development Trend in Perfecting the Political Structure

Yan Mingfu discussed experiences, both positive and negative, the CPC has gained in its cooperation with democratic parties in the past. He said: Since the 3d Plenary Session of the 11th CPC Central Committee in 1978, the Communist Party has persisted in carrying out the policies of "long-term coexistence and mutual supervision" and of "treating each other with all sincerity and sharing weal and woe" in united front work. It has adopted numerous policies and measures to respect the political freedom, organizational independence, and equal legal status of democratic parties within the limits of the rights and duties prescribed by the Constitution; fully supported democratic parties in independently carrying out their activities with the initiative in their own hands, strengthened political consultation with them, given scope to their role of democratic supervision; and encouraged them to shift the focus of their work onto serving the socialist modernization program and carrying out work and activities in the service of the modernization program. Our united front work has never been conducted as vigorously as it is today. Our work on the democratic parties is the best since the founding of PRC.

Yan Mingfu stressed: The CPC policy of persisting in long-term cooperation with the democratic parties is entirely correct. Practicing multiparty cooperation constitutes an important feature of building socialism with Chinese characteristics. He said: Multiparty cooperation under the leadership of our party is a special feature, and a strong point, of our political system. It is different from the one-party system in some countries and from the multiparty system in European and American capitalist countries. Accepting the leadership of the Communist Party, the democratic parties take the Constitution as their basic code of conduct and the general tasks of the party and state in different historical periods as their common political programs. They also take part in discussing and deciding major problems in the political life of state. Their leaders and many of their members have participated in the work of the state power. They are not parties out of power, still less are they opposition parties. They are our close, friendly parties which give full cooperation to our party and make joint efforts to further the socialist cause. This new relationship between political parties is incomparably superior to the two-party or multiparty system in any capitalist country. [passage omitted]

Support the Democratic Parties in Carrying Out Their Activities Independently and With the Initiative in Their Own Hands

Yan Mingfu said: For a very long time to come, the party's basic task toward the democratic parties will be to persist in implementing the policies of "long coexistence and mutual supervision" and of "treating each other with all sincerity and sharing weal and woe," to unite and cooperate with the democratic parties, and to jointly struggle for the reunification of the motherland and the rejuvenation of China.

He said: First, we vigorously support the democratic parties in carrying out various activities aimed at promoting the concept of "one country, two systems" and achieving the peaceful reunification of the motherland.

We support democratic party personages in taking part in relevant international political, economic, cultural, and artistic activities and in activities for safeguarding world peace.

Second, we should strengthen democratic consultation with the democratic parties and give scope to their supervisory role. It is necessary to institutionalize democratic consultation. Communist Party organizations in relevant organs, schools, enterprises, and institutions should unite with them so that they can do their work well. If they have any opinions, we should make prompt replies and handle them conscientiously.

Third, we should fully support the democratic parties in serving the building of socialist material and spiritual civilizations. We should invite them to attend discussion meetings or scientific symposiums on major issues or itmes of the four modernizations program, and encourage them to offer their advice. We should encourage the democratic parties to contribute their knowledge and skills in various ways and consolidate and develop various work, such as providing economic, scientific, and technological consultant services, running schools, giving lectures, and supporting the development and constructon of backward areas.

Fourth, we should strengthen and improve the relationship of cooperation and work between our party and the democratic parties in people's congress, government, and the CPPCC and give play to their positive role in the state political life.

Fifth, we should support the representatives of the democratic parties in safeguarding and reflecting the legitimate interests and rational demands of their members and the masses connected with them.

Sixth, in order to uphold and develop long-term cooperation between the CPC and the democratic parties, we support the democratic parties in strengthening themselves, gradually achieving the cooperation of old and new cadres and the succession of the new to the old in the leading bodies at all levels, recruiting new members, and building up their organizations.

WANG ZHEN ADDRESSES PARTY SCHOOL FRESHMEN

OW031822 Beijing XINHUA in English 1812 GMT 3 Sep 86

[Text] Beijing, September 3 (XINHUA) -- Only by critically absorbing and summing up the latest achievements made in science and technology can Marxism be made full of vigors, a senior Communist Party leader said here today.

Addressing 1,000 freshmen to the Communist Party School, Wang Zhen, president of the school and vice-chairman of the party's Central Advisory Commission, said that "we should make a practical study on all contemporary concepts with Marxist viewpoints and methods while carrying the open policy, introducing foreign technology and investment." "Only in this way," Wang added, "Can we effectively carry out the reform to build a socialism with Chinese characteristics."

Marxism is a scientific system proved correct repeatedly by practice, Wang said. "We took, take and will forever take Marxism-Leninism and Mao Zedong Thought as our guiding ideology and principle."

Wang stressed the point that the study of Marxism is a main subject in the school, most important institute of higher learning for the Communist Party. The school is usually open to high-ranking party leaders from all parts of China.

Wang called on the students to link theory with practice in the study of Marxism and to adhere to the four cardinal principles (adhering to Marxism and Leninism; to socialist road; to party's leadership; to proletarian dictatorship).

"We can not have a slightest hesitation in believing in the principles which are the foundation on which the state is established," Wang said.

HU QILI SPEAKS AT DEFENSE UNIVERSITY OPENING

OW020757 Beijing XINHUA Domestic Service in Chinese 1214 GMT 1 Sep 86

[By reporter Gai Yumin]

[Text] The National Defense University [NDU] of the People's Liberation Army held its first opening ceremony today. Hu Qili and Yu Qiuli, on behalf of the CPC Central Committee, the State Council, and the Central Military Commission, attended the opening ceremony and made important speeches. Yang Shangkun, Yang Dezhi, Xiao Ke, and Zhang Aiping were also present at the opening ceremony.

Established during the reduction-in-strength reorganization of the Chinese Armed Forces, the NDU is the highest military academy in this nation. Its main objective is to train strategically-minded officers capable of commanding combined tactical as well as political and logistic operations. Hu Qili stated at the opening ceremony that the establishment of the NDU, an important event in the modernization of the Chinese Armed Forces, is significant in keeping up with the rapid development of the world's science and military technology, in upgrading Chinese military cadres, military and political proficiency, in expediting the establishment of revolutionary, modern, and regular People's Armed Forces, and in promoting and safeguarding the smooth progress of the nation's socialist modernization.

Hu Qili urged the cadets to treasure their time at the university, do their best to gain the military expertise for commanding in modern warfare, earnestly study the characteristics and experiences of modern warfare, learn advanced military sciences, master the laws of future warfare, and research and develop our own self-defense methods. Hu Qili also urged the cadets to master modern military management in order to further improve the management of People's Armed Forces, and inherit and carry forward the PLA's thinking and work style. He said that cadres trained by the university not only must have a firm and correct political orientation, they must also be capable of modern command and management. Moreover, they must also be fairly knowledgeable in Marxist theories, and have good thinking and work style.

Hu Qili highly praised the PLA for its enormous spiritual influence on the whole nation, citing its high political consciousness, strenuous fighting spirit, and strict organizational discipline. He pointed out emphatically that since Comrade Deng Xiaoping took charge of the Central Military Commission, the PLA has scored outstanding achievements in spiritual construction, thereby winning the nation's support, respect, and acclamation, and setting for the nation a brilliant example of spiritual construction. At the same time, he said, the PLA has also served as a Great Wall of steel safeguarding the motherland and the people. Under the new historical circumstances people throughout the nation will cherish, respect, and support the PLA more than ever before.

Yu Qiuli said in his speech that Beijing cadres of the middle and high echelons, NDU cadets should shoulder the responsibility of inheriting the past and ushering in the future. As such, they must uphold the founding principles of the PLA, and inherit and carry forward the PLA's spritual construction, reaffirm their communist ideals and convictions, foster the idea of serving the people wholeheartedly, and pledge to dedicate themselves to the cause of national defense. He urged the cadets that, regardless of rank, they must lead a strict party and military life, strictly observe discipline, study hard, make painstaking efforts to temper themselves, score outstanding successes, and make themselves good leaders capable of commanding modern warfare and defeating the enemy.

Li Desheng, political commisar of the university, presided over the opening ceremony. The president of the university, Zhang Zhen, urged all the comrades of the university to pay attention to teaching and research on the one hand, and to spiritual construction on the other, and contribute to NDU's construction and development. Leading comrades of all PLA headquarters, major PLA units stationed in Beijing, and relevant departments and committees of central and state organs, as well as Beijing Municipality, were present at the opening ceremony.

STATE COUNCIL AGAINST NEPOTISM IN PURCHASES

OW021555 Beijing XINHUA in English 1524 GMT 2 Sep 86

[Text] Beijing, September 2 (XINHUA) -- The State Council, China's highest governing body, is warning government workers at local cotton purchasing stations not to favor their relatives and friends. As the state prepares to purchase cotton, which is expected to be a good harvest, from farmers in the coming season, its leaders have told purchasing agents "they must not pay a high-quality price for low-qualtiy cotton," according to an official document made available to XINHUA today.

The document specifically attacks "nepotism and backdoorism," the latter a Chinese expression for avoiding official rules by taking advantage of personal connections. This is the first year the government is buying cotton under the contract system, which allows cotton farmers to decide for themselves how much they will guarantee the government they will grow at a fixed price. In the past, cotton farmers produced according to an assigned quota system.

In line with government rules, the purchasing agents are authorized to buy low-quality cotton and to distribute fertilizer to farmers at discount prices -- but, says the document, "state price regulations must be strictly followed." The document also tells the government workers to pay the farmers in whatever form they prefer. "If they want cash, pay them cash," it says. "If they want payment in other forms" -- such as deposits in bank accounts -- "then that is how they should be paid." The document calls on state workers to be flexible in dealing with the cotton farmers during this first year. "Those who have produced more than they contracted for, as well as those who have had poor harvests, should be allowed to revise their contracts accordingly," it says. "Those who have planted cotton without a contract should be allowed to sign a contract, and those who signed contracts but failed to plant any cotton should be allowed cut of their contracts."

In addition, the document reminds the purcashing agents they have no right to collect any fees from the farmers except for the agriculture tax they are require to collect for the bank. And it calls on the agents "to offer convenient service for the farmers." At no time are "forced dealings or profiteering" allowed at the purchasing stations, the documents says.

CPC ABANDONS PRESELECTING THIRD ECHELON MEMBERS

HK310818 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1400 GMT 29 Aug 86

[Text] Beijing, 29 Aug (ZHONGGUO XINWEN SHE) -- During his recent inspection tour of Gansu, Tian Jiyun, member of the Political Bureau and Secretariat of the CPC Central Committee and vice premier of the State Council, disclosed that the CPC Central Committee has decided to abandon the practice of preselecting third echelon members and sending them to grass-roots afterwards. Instead, the people will be selected from among those at the grassroots levels who have made outstanding achievements.

From now on, Tian Jiyun said, we should place college and secondary school graduates at the grass-roots levels to strengthen the leading groups of towns and townships. We should encourage college and secondary school graduates working in leading organs to go to the grass-roots levels to temper themselves. Rural cadres should be selected from among demobilized soldiers and senior high school graduates who have returned to do farm work in their home villages. These people should be gradually promoted to the leading posts. Henceforth, leading cadres at the prefectural and county levels should undergo training and be tempered at the grass roots levels. This news was disclosed by Shanghai's ORGANIZATION AND PERSONNEL INFORMATION.

SONG JIAN ADDRESSED GROUND-BREAKING CEREMONY

OW012010 Beijing XINHUA Domestic Service in Chinese 1327 GMT 30 Aug 86

[Text] Beijing, 30 Aug (XINHUA) -- A ground-breaking ceremony was held today for the main construction work of the Beijing Modern Biology Research Center.

Construction of this research center under the Chinese Academy of Sciences is a big project approved by the State Planning Commission. It will consist of the Biophysics and Molecular Biology Building of the Biophysics Institute and the Developmental Biology Building of the Developmental Biology Institute. The latter building was already completed in 1983 at Zhongguan village. The main construction work, which has just started, is located north of Datun Road at Beishatan outside of the Desheng Gate. It occupies a total area of 105 mu with some 30,000 square meters of building and is expected to be completed in 3 years.

Addressing today's ground-breaking ceremony, Song Jian, state councillor and minister in charge of the State Science and Technology Commission, pointed out that this is another biological research center to be built in out country following construction of the Shanghai Bioengineering Research and Development Base by the Chinese Academy of Sciences. Biotechnology is a major aspect of China's high-technology development program, and further progress in this field is expected.

BRIEFS

PLA ACADEMIC COOPERATION CENTERS -- In order to enhance lateral cooperation, the PLA military academies have set up 11 academy-cooperation centers in Beijing, Xian, Nanjing, Shijizhuang, Changchun, and other localities respectively. These cooperation centers, by exchanging experiences in educational reform and information on scientific research, have opened the door through the unified use of teaching staff. [Text] [Beijing Domestic Service in Mandarin 1100 GMT 21 Aug 86 OW]

NORTHEASTERN PROVINCES REPORT FLOOD LOSSES

HK030111 Beijing CHINA DAILY in English 2 Sep 86 p 3

[Text] Liaoning Province in Northeast China suffered direct financial losses of 1.36 billion yuan ($0.367 billion) in damage caused by continued torrential rains, hailstorms and floods last month, the provincial government has announced.

Natural disasters this year caused greater damage to property than the typhoons and floods in the province last year, according to a spokesman at the provincial anti-flood headquarters. But the total of 30 dead and 74 injured was less than half the casualty figure during last year's storms.

This is the second consecutive year that the three Northeast provinces of Liaoning, Jilin and Heilongjiang have been hit by severe storms and floods.

Last month, 13 cities were affected by rains which flooded nearly 6,000 villages, washing away 77,000 houses and 600,000 hectares of crops -- 20 per cent of all the farmland in Liaoning. The province is expected to lose about 2 million tons of grain in this year's harvest, the spokesman said.

A total of 3.76 million people in 880,000 households in Liaoning were affected by the disaster, which also destroyed 1.6 million fruit or other trees and damaged an additional 187,000 homes, according to the provincial newspaper LIAONING DAILY.

Most heavily hit was the irrigation network in rural Liaoning, which had just been repaired after the extensive damage caused by last year's typhoons and floods. Up to now, 1,140 kilometres of embankment, 3,230 bridges and viaducts, 295 pumping stations, 1,400 culverts, 900 dams and 41,000 fish ponds have been found to be destroyed by the floods.

Also wrecked were 1,400 kilometres of road, 847 road bridges and 4,600 kilometres of power or communication line. More than 160 factories were forced to suspend their operations last month, the spokesman said, and emergency repair and relief work alone cost the province more than 42 million yuan ($11.3 million).

The spokesman urged local farmers to make every effort to improve the prospects for this year's crop over the next few months.

Meanwhile, the provincial government of Jilin has announced that floods in the region during the past two months destroyed 400,000 houses, leaving 800,000 people homeless. The floods following torrential rains damaged 44 percent of the province's farmland and affected 7 million people. Economic losses totalled 4.5 billion yuan ($1.2 billion).

In Heilongjiang, China's northernmost province, the flood level of the Songhua River has dropped nearly one metre below last week's peak, putting the provincial capital of Harbin out of immediate danger. The city's anti-flood headquarters has called off its flood alert except along certain sections of the riverside district, according to a provincial newspaper report.

LIAOWANG VIEWS TAIWAN 'SPY' ACTIVITIES IN PRC

HK030710 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 34, 25 Aug 86 pp 23-24

[Article by Xiao Zhuang: "A Transaction Involving the Sale of One's Soul -- the Capture of Taiwan KMT Spies on the Mainland"]

[Text] A solemn trial was going on in the court.

An old man, short and slight of figure, and a deathly pale woman were escorted to the dock. As the trial went on, scene after scene of the criminal activities of the two Taiwan KMT spies reappeared before people's eyes....

I. On 28 June 1984, an airliner from the United States landed at Beijing Shoudu Airport. Among the passengers alighting from the plane was a short, small, old man. He was none other than the one escorted to the court as described at the beginning of this article.

His name is Roland Shensu Loo. In the 1940's he worked as an interpreter for an American aviation unit in China and in 1948 he fled to Taiwan with the KMT Air Force. Later, he worked for a time at a U.S. air base in Japan. In 1973 he migrated to the United States and became a U.S. citizen.

On this occasion, Loo came to Beijing under the guise of teaching English at an institute. In fact, he brought special instructions from a Taiwan KMT spy organization. Before coming to Beijing, he flew to Taiwan with his superior Yang Peng (Edward Yang), a spy from the Taiwan KMT Information Bureau in the United States. At that time, Wang Hsi-ling, chief of the KMT Information Bureau, personally handed him $2,000 in operational funds and instructed him to "make friends extensively." Later, Yang Peng briefed him on his tasks: "Travel more, see more, listen more, memorize more, and take more photographs" and try to recruit the "right persons" in order to develop the spy organization.

Alighting from the plane, Roland Shensu Loo could not help being laden with anxiety because he had been entrusted with a "special mission."

"Are you Mr Loo?" asked a middle-aged couple. Sizing up the woman in front of him, Loo asked in happy astonishment: "Are you Sister Nianci?" The woman nodded her head again and again. While cordially calling him "brother," the woman helped Loo and his wife carry their luggage.

The middle-aged couple welcoming the guests at the airport were Ning Nianci, a woman engineer at the Beijing Construction Engineering Institute, and Yu Defu, director of the Beijing Science and Education Film Studio. Previously they had had nothing to do with Roland Shensu Loo.

Then, how come the woman and Roland Shensu Loo became "brother and sister"?

In 1980 Loo came to Beijing. At that time, a friend in the United States asked him to help find his mother with whom he had lost contact for many years. As he stayed in Beijing for a very short time, he did not find her. However, he passed this matter on to the Chinese Public Security Departments and asked for help. Through the efforts of the Public Security Departments, the mother and sister of Loo's friend were soon found. The sister was Ning Nianci.

After Ning unexpectedly found her long-lost brother, she did not forget Roland Shensu Loo, who had "paved the way and built the bridge" for her. In a letter to her elder brother, Ning enclosed a letter to Loo, saying: "When I drink water, I do not forget the man digging the well." Loo knew that Ning was born of a distinguished family and that many of her relatives on the Chinese mainland were influential celebrities. Naturally, he did not want to let slip this opportunity and so he immediately wrote her a reply. From then on, frequent correspondence started between Ning and Loo. Knowing from her correspondence that she hankered for ease and comfort and that she longed to settle abroad, Loo expressed his readiness to help her to "go to the United States for further studies." Later, he expressed his desire to adopt her as a "sister." Ning did not expect Loo, whom she had never met, to be so warmhearted. She thought she had met a good man and was extremely gratified. In order to achieve the objective of going abroad, she not only adopted the man, who was over 30 years her senior, as an "elder brother" but also made her son adopt Loo as an "adopted father."

Ning did not realize that Loo had become a spy in the service of the KMT spy organization, receiving monthly operational allowances. Loo reported her case to his boss, Yang Peng, who was very much interested in her and told him to keep a firm hold on the line.

II. While teaching English in China, Loo went hither and thither using the excuse of "visiting relatives and friends" and "going sightseeing." He made friends extensively, striking an "acquaintance" here and adopting a "daughter" there, and fished for information about China in every possible way. He traveled to Xian, Zhengzhou, Chengdu, Chongqing, and Wuhan and, in line with the instructions of the spy organization in Taiwan, took a lot of photographs. Meanwhile, he also intensified his efforts to rope in Ning Nianci.

In February 1985, Roland Shensu Loo returned to Beijing after carrying out his activities in other parts of the country. He visited Ning and handed her a letter from the United States. He said: "This is a letter from my friend. I have mentioned you to him and he is very much concerned about you...."

Ning took the letter which said: "Brother Shensu is now in your place. I think he has briefed you about my conditions here. I hope you will also regard me as your elder brother so that we can care for and help each other. If you have no objection, please write to me immediately." It was signed "Yang Zhongshan."

Loo said to her: "Yang Zhongshan was previously a well-positioned and influential figure in Taiwan. He is now a professor at an American university specializing in economic studies. He is also very much concerned about your intention to go abroad and is vigorously soliciting help from potential backers."

In truth, "Yang Zhongshan" was Yang Peng. Under the cloak of "university professor," the spy leader sneaked among Chinese students and graduate students in the United States and, by extensively claiming ties of friendship, brazenly collected information and recruited secret agents. He also used a dozen or so assumed names, such as Yang Chongshan, Yang Chongche, Yang Changyueh, Ning Bide, and Edward, to keep up frequent correspondence with many people on the mainland in order to look for cat's-paws from among them. He wanted to establish personal contact with Ning Nianci.

Not having expected that a warmhearted "elder brother" was concerned about her on the other side of the ocean, Ning could not help being overjoyed: "Can I establish contact with him?"

"Of course." Ning's request was exactly what Loo wanted. He sounded her out by saying: "Yang Zhongshan is very rich. If you find it convenient to send him some data in the future, he will not treat you shabbily."

Ning agreed to do it without hesitation. She thought that since these people had both money and position, she would have to rely on them if she wanted to go abroad in the future. Therefore, she wrote Yang Peng a letter, expressing her sincere desire to become his sister." Yang immediately wrote a reply, saying: "With extremely sincere feelings I welcome Sister Nianci to come to our embrace."

In April 1985, Ning took advantage of the opportunity in her work to stealthily duplicate a copy of a secret document. By that time, Loo had concluded his teaching work in Beijing and had gone to Japan. Therefore, she inserted the document in a sealed present and asked someone to take it directly to Yang Peng in the United States. Immediately after receiving the "generous gift," Yang wrote her a letter, saying that it was just what he liked and needed most. He also sent her U.S. dollars and some goods. Ning knew that he was asking her to go on working and to get more data. She also felt that it was a profitable "transaction." In May, she again asked someone to take another secret document to Yang Peng. Similarly, she received some "remuneration."

Thus, Ning Nianci mortgaged her soul to the demon, bit by bit.

III. In October 1985, Roland Shensu Loo again came to China from Japan. After carrying out some activities in Shanghai and Zhengzhou for a time, he arrived in Beijing in early November. This time, he wanted to completely "capture" Ning Nianci. Before coming to the mainland, he had been to the headquarters of the Taiwan KMT Information Bureau, where he received a 26-point "information outline" drawn up for him. Then, he went to the United States, where Yang Peng gave him instructions: "When you return to the mainland this time, you might as well let Ning Nianci know about our real situation and strive to recruit her."

After his arrival in Beijing, Loo took advantage of the opportunity that Ning was alone in her house to "lay his cards on the table." Loo said: "Yang Zhongshan has asked me to relay his regards to you. He plans to give you $1,000 as remuneration and to open a bank account in your name in the United States." Then, suppressing his smile, he said in all seriousness: "There is an "organization" in which Yang Zhongshan is the leader of its San Francisco branch. Its headquarters is in Taipei. He wants to admit you into the organization." While speaking, he observed her reaction.

Ning was slightly alarmed but she immediately knew what the "organization" was for and what it meant to join the "organization." In fact, she had long suspected the true features of her "Brother Yang" and "Brother Loo." From their extreme "interest" in all aspects of the mainland and their cautious ways of doing things, it was easy to discern that they were up to something. However, in order to get more money and to achieve her desire of going abroad, she was ready to ignore the interest of the motherland. Now that they publicly tempted her into mortgaging her soul, she could not but weigh the pros and cons. After thinking for a while, she said icily: "I will join your organization on one condition."

"What is it?"

"Get my son out of the country, either to the United States or Taiwan." So saying, she fixed her eyes on Loo.

Loo laughed loudly. He said: "It is very easy. Just leave it to me. When he graduates in a few years, I shall let him study abroad at my expense." Patting his chest, he added: "Moreover, I also have to fulfill my duty as an 'adoptive father'!"

The transaction involving the sale of a soul was thus consummated. Then, Loo told her the method of making secret contacts. He also exhorted her: "Your alias is 'Han Lan' and your code number '8982.' Keep it in mind!"

While lying on the bed later that night, Ning told her husband about her 'joining the organization."

"Isn't this a spy organization?" Yu Defu said in alarm.

"I don't care whether it is a spy organization or not so long as it gives us money!" said she, pretending that she was not worried at all. "Moreover, Old Loo has promised to get our son out of the country." A moment later, she said meditatively. "After our son goes abroad, we shall ask them to send our daughter abroad too. In this way, we shall have no fear of disturbance in the rear and we can go all out." Seeing that Yu kept silent for a long time, she asked: "Are you interested in the matter?"

"To some extent I am, but it is not the time yet." Knowing that it was not something to be trifled with, he wanted to first see the lay of the land. He said: "Let's do it this way. You do it alone first and, after they get our son out of the country, I'll go all out with you." He also warned Ning: "It is dangerous to do this. People in the state security departments are very sharp. You should be careful at every step!"

After receiving her husband's permission, Ning pursued her activities more energetically. She knew clearly what kind of transaction it was. She also knew that only by working zealously and obtaining more valuable information would she be in the good graces of the Taiwan spy organization, and that only in this way would it be possible for their children to go abroad and for her to get more money.

In a short span of 20-odd days, Ning informed Loo of all the important information she knew or learned elsewhere. She also supplied Loo with some restricted data. For this reason, she received some operating expenses.

Loo and Ning thought themselves clever, but they did not know that their criminal activities could not escape the sharp eyes of the state security personnel and the people. Wherever they went and whatever conspiratorial activities they conducted, they were always followed by sharp eyes. Just as Loo thought he had been crowned with success and planned to return to the United States to take credit and seek rewards from his master for his achievements, he was arrested.

Ning Nianci and Yu Defu were also arrested at the same time. They were tried by the people, for their sins against the motherland and the people.

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MPR FOREIGN MINISTER SAYS USSR TO REDUCE TROOPS

OW041840 Beijing XINHUA in English 1824 GMT 4 Sep 86

["Soviets To Reduce Troops, Not Withdraw From Mongolia, Says Mongolian Minister" -- XINHUA headline]

[Text] Harare, September 4 (XINHUA) -- Mongolian Foreign Minister Mangalyn Dugersuren today denied that the Soviet Union will withdraw its troops from his country.

Dugersuren, who is here to attend the ongoing 8th summit of the Non-Aligned Movement, said at a press conference that Soviet leader Mikhail Gorbachev had only promised to reduce Soviet troops in Mongolia in his July 28 speech in Vladivostok.

He said the Soviet troops are stationed in his country at his government's request.

He said that his country wants an agreement on non-aggression and no-use-of-arms among the Asian and the Pacific countries.

Since is is allied with the Soviet Union, Mongolia is not a full member, but is accepted as a guest at the summit.

DEVELOPMENTS IN U.S.-USSR TIES ASSESSED

HK040213 Beijing SHIJIE ZHISHI in Chinese No 16, 16 Aug 86 pp 2, 3

[Article by Fang Sheng: "Why Reagan Beckons to Gorbachev"]

[Text] In 1986, relations between the United States and the USSR have grown increasingly strained until recently, when they suddenly eased up. This new development is worth pondering. 27 May, 11 June, and 19 June are the three outstanding dates in U.S.-USSR relations. The events that took place on these 3 days signaled the direction of current U.S.-USSR relations. What actually happened on these 3 days?

"27 May Declaration" -- Imposing and Overbearing, Playing 'Tough' and Uncompromising

On 27 May, Reagan announced that the United States will no longer abide by the SALT-II Treaty. In his declaration, he charged that "until now, the USSR has not taken any action indicating its willingness to join the United States in real, common efforts for restraint and to lay the foundation on the question of arms control." He claimed that the United States is determined that "henceforth, in making decisions on the structure of its strategic forces, decisions must be based on the nature and extent of the threat posed by Soviet strategic forces, and not on the criteria set by the SALT-II Treaty." He hoped that the USSR "will adopt constructive measures needed to change the present condition." In short, the United States placed the responsibility for the cause and consequence of noncompliance with the treaty on the USSR. The cause: Soviet violation of the treaty; the consequence: The United States will not be bound to the treaty; the remedy: The USSR must take steps. The enormous pressure involved is unusual. Western sources believed that Reagan's tough move is "risky" and "implies that the extremely stupid arms race will be further intensified." [paragraph continues]

According to analysis, the "27 May Declaration" has both real and false faces. The false side is to further pressure the USSR into making concessions in the arms reduction talks, while the real side is to clear obstacles for a new round of the arms race.

The "27 May Declaration" shocked the USSR. Based on long-term interest and under the present circumstances in which it is facing internal economic difficulties and setbacks in its foreign expansion, the USSR has misgivings about taking part in a new round of the arms race. However, it was not the only one to be shocked. Worried that deterioration of U.S.-USSR relations could obstruct progress made to improve East-West relations, NATO allies of the United States were almost unanimous in opposing the "27 May Declaration." Moreover, U.S. domestic reactions was also relatively strong.

"11 June Program" -- Conditional Compromise, Taking a Gentle Approach Toward Toughness

On 11 June, the USSR submitted a new transition program on nuclear disarmament at the fifth round of the U.S.-USSR arms reduction talks in Geneva. That same day, the Warsaw Pact heads of state meeting convened in Budapest presented the NATO member states with a proposal to reduce conventional arms in Europe. Leaving aside the conventional arms reduction program of the Warsaw Pact, a comparison of the "11 June Program" with previous Soviet programs shows different form and contents. First of all, before putting out the "11 June Program," the USSR did not publicize it in the papers as they did in the past. Second, based on the contents, the new program begins to have some attractions for the United States and may be concretely manifested in the following: 1) For the first time, it clearly indicates its approval of the United States carrying out research on the Strategic Defense Initiative "within experimental laboratory levels"; 2) on computation of strategic weapons, it fundamentally meets U.S. demands and abandons the original position that U.S. bombers deployed in Europe and based on aircraft carriers be included in the computation; 3) it no longer demands the ban on U.S. long range submarine-guided cruise missiles. Naturally, if the USSR is said to have made "substantial" concessions on these three issues, these concessions are not without conditions. The Soviet conditions are: The United States must not abrogate the ABM treaty for at least next 15 years, and it must restrict research on the Strategic Defense Initiative to the level of laboratory experiments. While they may be few, the conditions are also "substantial." In the words of U.S. Secretary of Defense Weinberger, the Soviet program wants to kill the U.S. Strategic Defense Initiative through "the back doors and the side doors." In other words, the objective of the "11 June program" is to maintain the U.S.-USSR nuclear balance for a relatively longer period of time. In a recent speech, Gorbachev expressed this point in a clearcut manner. He said: "Let us take a new approach in dealing with all these problems: For the kinds of weapons in which the West has numerical superiority, let it undertake the corresponding reductions; as to the kinds of weapons in which we possess numerical superiority, we will resolutely cut down the 'surplus portion.' Generally speaking, let us explore and reduce the level of balance together!" The seriousness of attitude and flexibility of position were unprecedented.

"19 June Speech -- Contrary to Normal Behavior and Prompting Speculations

In a speech in Glasboro, New Jersey on 19 June, Reagan made a positive response to the Soviet's "11 June Program." He said: "It seems that the Soviet side is beginning to make serious efforts" and that "an atmosphere conducive to serious discussions between the two sides may actually exist." Furthermore, he asserted that "the time has come for onward development" on arms reduction, and emphasized that delegates of both countries to the Geneva talks "should take solemn and serious attitudes" in making preparations for the next heads of government summit and thus ensure "progress in the next heads of government summit." Three days later, Reagan indicated to reporters that he felt "encouraged" by the Soviet "11 June Program" and that he could accpept it "in principle." Compared with the "27 May Declaration," Reagan's attitude has indeed made a 180 degree reversal. Even the USSR was "baffled" by Reagan's conciliatory speech. A recent commentary in a Soviet paper reflects this contradictory state. The commentary says, "The Soviet Union advocates dialogue. However, it must be dialogue in which both sides are ready to achieve concrete results." "The USSR-U.S. talks should not be allowed to become a smokescreen for arms race." Distrust between the United States and the USSR is deep-rooted and once one side starts to say nice things, it merely prompts more misgivings. What is more, Reagan is known for his toughness against the Soviet Union. His acting out of character and beckoning to Gorbachev is even more unexpected; thus, people can't help but speculate about his motives.

While Unexpected, It Is Also Quite Reasonable.

There are generally two kinds of conjecture on Reagan's changing of tune: One is that with the huge cuts in the defense budget by the U.S. Congress, enthusiasm for the Strategic Defense Iniative has faded rapidly. In addition, the space program suffered successive setbacks because of the explosion incident and has obstruced the Reagan administration's efforts to continue gaining superiority over the USSR. The other guess is that having played tough for such a long time, the Reagan government has forced the USSR into a corner and can now bargain with it.

The first speculation overly emphasizes the impact tht domestic difficulties have on the Reagan administration's policy towards the USSR and is thus based. Actually, in the 6 years that Reagan has been in the White House, the national strength of the United States rose, the economy maintained growth for 43 consecutive months, military reorganization posted definite results, and the United States took a leading position in the new round of arms race marked by sophisticated scientific technology. All this has made Reagan, in the eyes of Americans, the most powerful president since Eisenhower. Convinced that development in the domestic situation is favorable to the United States, the Reagan government is currently pursuing "Reaganism." Under the circumstnces, it is difficult to imagine the Reagan government suddenly softening its tough stance against the USSR and abandoning its efforts to win the upper hand in its competition with it. It appears that Reagan's changing of tune has more to do with certain strategic factors hinted at in the second conjecture. These strategic factors mainly include the following:

First, the high tension in U.S.-USSR relations is also unfavorable for the United States. Just as it had admitted, the United States and the USSR share "common interests" in avoiding direct confrontations. In the first half of 1986, due to the strained U.S.-USSR relations, the heads of state summit originally scheduled to be held this year is still in limbo. Owing to the fact that the USSR has repeatedly declared that Gorbachev will not go to the United States under pressure, the United States could not but ease the atmosphere, break the stalemate, and prevent a return to an excessively tense situation with no dialogue.

Second, the United States is determined to gain superiority in the new round of arms race, but this does not preclude it from forcing its rival out of the race under favorable conditions, and thus achieve the possibility of winning with no competition. As for the "11 June Program," the United States believed it is the result of it exerting pressure on the USSR. If this favorable opportunity could be used to bring about Gorbachev's visit to the United States, it could help Reagan convince people that his policy of negotiating through strength is effective. This way, he could continue to win support in the country for his policy to expand military might.

Third, the tough U.S. policy against the USSR is also restricted by internal and external factors. The Strategic Defense Initiative has always been Reagan's "trump card" in Soviet policy, but domestic clamoring against the plan has increased. Not a few congressmen called for huge cuts in the government-proposed fund allocation for next year's SDI research. Some even suggested linking the fund allocation with U.S. compliance with the ABM treaty. Similarly, Reagan's "27 May Declaration" also met the unanimous opposition of the NATO member states and their people. In order to deal with internal and external pressures, Reagan needed to ease up U.S.-USSR relations and win more support for his USSR policy.

Furthermore, there are people in the United States who believe that Gorbachev is a more flexible opponent with whom the United States can deal. If the United States should exercise excess pressure, it might undercut Gorbachev's position in his country and create a condition for his rival to assume power. That might not be necessarily good for the United States.

Lastly, under the flexible and changing peace offensive launched by the USSR, the United States finds itself in a passive position as far as swaying public opinion is concerned. Many Western reporters use world like "rigid," "risky," and "warlike" to describe some of Reagan's actions. Therefore, Reagan's conciliatory gesture is also intended to mitigate pressure from public opinion and improve his international image.

Summing up, Reagan's beckoning to Gorbachev may be a bit unexpected, but it is not entirely incomprehensible. Now, the question is: Will Gorbachev "return the gesture"? Because the Soviets recently have repeatedly stressed that a heads of state meeting must aim at achieving concrete and real results, this question has become quite acute. So far, the USSR has not set a date for the meeting. It appears that it wants to force the United States into making a concession on the question of reaching a concrete arms reduction agreement. Looking at the latest developments, the United States and the USSR have begun a new round of mutual probing and bargaining on the question of defining the date for the heads of state meeting and on whether they could reach a kind of arms reduction agreement.

PRC, U.S. TO DEVELOP GAS TURBINE AIRCRAFT ENGINE

HK040111 Beijing CHINA DAILY in English 4 Sep 86 p 2

[By staff reporters Xie Songyin and Zhi Yong]

[Text] Chinese and American aviation companies are to jointly design, produce, market and develop a new generation of gas turbine, CHINA DAILY has learned from the Ministry of Aviation Industry.

China National Aero-Technology Import and Export Corporation and Chengdu Engine Corporation signed a contract on August 8 to develop the FTB gas turbine with the United Technologies Pratt & Whitney Group. The first machine will be ready for marketing by 1989.

The turbine is a redesign of Pratt & Whitney's JT8D-219 aviation engine. "Redesigning aviation engines into industrial and maritime gas turbines is a big revolution in the aviation industry," said Huo Yuhua, a ministry official.

The Chengdu corporation will design and produce the necessary new parts, which will account for one-third of the new machine's total price.

Refitting the engine for use in ships and large vehicles is a comprehensive job and only a few countries who produce aviation engines are capable of carrying out the work because key parts need to be renovated, Huo said.

The turbine can produce 33,240 horsepower and generate 24,800 kilowatts of electricity, but has a low energy consumption. The product will be a new generation of gas turbine for the 1990's, Huo said.

The contract says that each side will invest in and produce the parts on its own territory, thus saving a large amount of foreign exchange for the Chinese side, but the United States will carry out the final technical checks.

During the 10-year contract period, China will continue to produce the parts no matter how many turbines are sold, but Huo said the deal was bound to boost China's exports.

The Chinese side will develop its own market and that of Southeast Asia. China itself will import 30 turbines for power generation and maritime use, Huo said. The United States will be responsible for sales in the rest of the world.

Both sides have agreed that the Chengdu Engine Corporation will fit the turbines sold in the Chinese market. The rest will be fitted in the United States.

"If the co-operation goes smoothly, the contracted term will be prolonged for another 10 years for the development of another generation of gas turbine," Huo said.

SINO-U.S. CIGARETTE COMPANY UNDER CONSTRUCTION

OW021648 Beijing XINHUA in English 1446 GMT 2 Sep 86

[Text] Xiamen, September 2 (XINHUA) -- Construction has begun on China's first joint venture with foreigners in cigarette production, a Sino-United States enterprise in the Xiamen Special Economic Zone of Fujian Province.

Partners in the venture, the Xiamen Huamei Cigarette Company, are the Xiamen Cigarette Factory, the Xiamen Special Economic Zone Joint Development Company and the R.J. Reynolds Company of the United States. Reynolds is supplying half of the 21 million U.S. dollar investment, including the production equipment.

With 28,000 square meters of floor space in the zone's Huli Industrial District, the new company is expected to produce 2.5 million cartons of filter-tipped cigarettes a year after it begins production January 1, 1988.

Half of the cigarettes will be sold under Reynolds' U.S. trademarks -- Camel, Winston and Salem -- and half will be sold under the new brand of the joint venture. One-sixth of the cigarettes are expected to be exported.

Liu Weican, chairman of the joint venture's board of directors, said today the new company will "serve as an example for the Chinese cigarette industry of how to use imported technology." Reynolds and the Xiamen Cigarette Factory have produced cigarettes together on a contract basis since 1980.

RENMIN RIBAO ON U.S. SPACE SCIENCE POLICY

HK040413 Beijing RENMIN RIBAO in Chinese 3 Sep 86 p 7

["Jottings" by Sai Bei: "On Earth or in Heaven?"]

[Text] Many U.S. people said there was a risk that the status of the United States would fall from that of a superpower to that of a second-class nation, but they differed in their opinion of what remedy to take. Some said that it could be found on earth, while some said it was in heaven.

THE WASHINGTON POST recently published an article mentioning Japan's "constant growth of economic strength," which "forms a contrast with the continuous drop of U.S. influence," and that the situation "makes people feel sad." The article holds that it was because "Japan put its stake on industrial and technological development, as well as trade," whereas the United States put its "excessive financial resources and manpower into its arms race with the Soviet Union." Therefore, this "weakens the U.S. global economic strength, and thereby having its status dropped in the area of diplomatic policy." The writer advocates that in order to "find a solution to the drop in U.S. global economic strength," we "must cut the enormous budget deficits" and at the same time, "try our best to reach an agreement with the Soviet Union on arms control, as well as to relax the tension with it, so as to make more money available for invigorating our economy and that of the Third World."

Several days later, THE CHRISTIAN SCIENCE MONITOR published another article which seemingly carries an opposite point of view. It says that "the United States must be determined in" achieving "superiority in space," and for this reason, it urged increasing the space budget by 100 percent. This is because if the budget remained at the current level,"there is the possibility that we shall lose our dominant role in space." The article further says that "in fact, the most important industry in the future will be in space. A revolution which can be compared favorably with that of microelectronics will come soon....Unless we achieve (the lead in space) and maintain such a lead," "Those profitable and large markets will fall into the hands of countries that are actively engaging in space activities."

These two kinds of opinions, though seen as opposing each other, are in fact not contradictory. Their aim is to develop the U.S. industrial technology, so as to make the United States continue to maintain its leading status in the world. The former method is favorable to world peace and development, while the latter will inevitably put the arms race into the area of space. But the point is which one will be more acceptable to the U.S. Government. I am afraid that it will be the latter.

The U.S. "star wars" plan is the one that kills two birds with one stone. On the one hand, it uses the development of space arms to vie with the Soviet Union for military superiority; and on the other, it develops new science and technology through the development of space arms, so as to maintain its lead in the competitive world market. Therefore, this plan is President Reagan's "useful, valuable and effective tool" and under no circumstances must it be dropped. Though there are many good things on earth, nothing can be compared to space superiority. But what worries him are the growing military expenditures, which may make the U.S. economy fall into a more awkward predicament before gaining any superiority. Then, he will "fall between two stools."

COLUMNIST ON U.S. NON-CONTRIBUTION TO UNFPA

HK050315 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 5 Sep 86 p 6

["Jottings" by Sai Bei: "How Is the Image?"]

[Text] The task of the U.S. Agency for International Development, as its name suggests, is to help other countries, the developing countries in particular, tap their economic potentialities. This organization contributed an annual sum, which was not big, to the UN Fund for Population Activities (UNFPA) for the family planning work in 140 countries including China, to show its support for this work. According to an official of the U.S. Agency for International Development, the United States will not contribute this sum to the fund this year because "China enforces a family planning program that encourages abortions."

The question does not lie in whether or not the United States makes any contribution. Without the U.S. contribution, the population planning work of various countries will still continue as usual. The ASSOCIATED PRESS correspondent Donna Anderson recently visited China's Henan Province, and said in a report that "here one can clearly see the burden brought about by a large population in China." This report was true to the facts. Family planning in China is precisely to reduce this burden. In the first place, some people do not understand the family planning policy and persuasion education is necessary. There is nothing strange about this. Which of the U.S.'s policies is agreeable of 100 percent of the people? Would it be ridiculous for anyone to accuse the United States of "enforcing" a certain policy simply because of this? However, since last fall, some people in the United States have made a clamor against China, taking advantage of the population issue. This has led to the present decision. What is interesting is that although only China got a scolding, 123 of the other countries have been treated in the same manner and no contribution will be made to them. In the meantime, the United States has allocated $239 million for bilateral population planning with some countries. This shows that although the decision has attacked China, its essence is to bypass and play down the United Nations. If the money is given to the United Nations and is controlled and arranged by it, the United States will not stand out, the image of the United States will not be beautified in the world, and no advantage will be gained. This is the state of mind of some Americans. However, can this state of mind help the United States build up a good image in the world?

JAPANESE EULOGIES OF CHIANG KAI-SHEK REPORTED

OW041912 Beijing XINHUA in English 1817 GMT 4 Sep 86

[Text] Tokyo, September 4 (XINHUA) -- Several dozen ruling Liberal Democratic Party (LDP) Diet members and Japanese politicians today preached the idea of "two Chinas" at a meeting to eulogize Chiang Kai-shek's "virtues" shown in his policy towards Japan at the end of the second world war.

Nobusuke Kishi, former prime minister, and Hirokichi Nadao, former speaker of the House of Representatives, two organizers of the meeting, repeatedly referred to China's Taiwan Province as "the Republic of China." The Japanese national flag and the flag of Taiwan hung abreast above the platform.

The official representatives of the Taiwan authorities were seated at the rostrum and invited to speak at the meeting on behalf of "the Government of the Republic of China."

Nadao declared that similar commemoration meetings will be held in other cities, like Osaka, Nagoya, Fukuoka and Sapporo. Today's meeting to mark Chiang's birth centennial on October 31 culminates year-long preparations.

The commemoration meeting has been criticized by the Japanese media as harmful to the development of the Japanese-Chinese friendly relations.

YAO YILIN MEETS JAPANESE PRESS REPRESENTATIVES

OW291309 Tokyo KYODO in English 1249 GMT 29 Aug 86

[Text] Beijing, Aug. 29 KYODO -- Vice Premier Yao Yilin met with Japanese press representatives here Friday afternoon and told them that China's open-door policy will remain unchanged over a long time.

At the meeting in Beijing's Great Hall of the People, Yao said that China intends to apply special preferential measures for investment from foreign countries only if such investment contributes to the promotion of China's export industry. He added that China is now preparing a law for the purpose, and an official announcement to this effect will be made in the near future.

He expressed hope that Japanese enterprises, in particular, will invest in Chinese industries engaged in processing and export of agricultural products, as well as spinning, and machinery building.

He stressed that unless China upholds her open-door policy toward foreign countries, she will not be able to achieve the modernization of her economy in several tens of years, as planned. He showed strong enthusiasm about making China the world's most profitable place for foreign capital in the manufacture of products for export.

Commenting on reform of China's political system in line with China's modernization program, consisting of an open-door policy and reform of the economic structure, Vice Premier Yao said that political reform will come up for study next year.

Thus, he hinted at the possibility of political reform being on the agenda at the 13th Communist Party Congress scheduled to open in autumn next year.

He said that there is no consensus of opinions, and has been no debate on political system reform as yet. Thus, it is clear that no systematic discussions have yet been carried out in China on the matter. He added that articles calling for political reform which have appeared in newspapers recently were all the personal opinions of scholars, and stressed that they do not represent the Chinese Government's view.

JAPANESE KANSAI ECONOMIC FEDERATION GROUP VISITS

Meets Tian Jiyun

OW021220 Tokyo KYODO in English 1157 GMT 2 Sep 86

[Text] Beijing, Sept. 2 KYODO -- Chinese Vice Premier Tian Jiyun said Tuesday the Chinese Government will take "drastic" steps to improve the climate for foreign capital investment and bring down high wages and land prices. Tian made the remark when he met with a visiting business mission from western Japan headed by Hosai Hyuga, president of the Kansai Economic Federation (Kankeiren).

During the 45-minute meeting, Tian said the Chinese Government will maintain its "open-door" economic policy and promote joint ventures with foreign companies.

Stating that the western Japan business community is ready to cooperate in China's modernization efforts as far as possible, Hyuga said China should exert effort to consolidate the investment climate, by taking such measures as the reduction of high land prices charged foreign enterprises and the cutting of high wages foreign companies must pay to Chinese workers.

Hyuga also said it is necessary for China to increase exports by such means as improvement of quality, reduction of export prices and honoring of delivery dates. The Chinese Government should also promote construction of social infrastructures through active induction of foreign capital and promote the introduction of foreign technologies, he added.

Hyuga also told Tian that the western Japan business community is willing to invite Chinese enterprise managers to Japan to help them learn Japanese management know-how.

The Chinese vice premier replied that foreign cooperation is imperative for the modernization of Chinese industries, agriculture, science and technology, and defense. He added it is necessary for the Chinese Government to make it possible for foreign companies to earn profits from their investment in China.

Tian said the outlook for Chinese-Japanese economic cooperation is very bright. Japan and China can complement each other through the combination of Chinese natural resources and labor force and Japan's advanced technology, modern industrial facilities and abundant capital, he was quoted as saying.

Hyuga said he will ask the Japanese Government to extend financial aid to China more actively.

Feted By Wang Zhen

OW021056 Beijing XINHUA in English 1030 GMT 2 Sep 86

[Text] Beijing, September 2 (XINHUA) -- Chinese Vice-Premier Tian Jiyun and vice-chairman of the Central Advisory Commission of the Chinese Communist Party, Wang Zhen, met on separate occasions a delegation from the Japanese Kansai Economic Association here today. The delegation, led by President of the Japanese association Hosai Hyuga, arrived here yesterday and will tour Beijing and Shanghai. In the evening, Wang Zhen gave a banquet for the delegation.

Among those present at the occasions were Rong Yiren, vice-chairman of the Chinese National People's Congress Standing Committee, Jia Shi, president of the China Council for the Promotion of International Trade, and Japanese Ambassador to China Yosuke Nakae.

Meets Bo Yibo

OW030850 Beijing XINHUA in English 0700 GMT 3 Sep 86

[Text] Beijing, September 3 (XINHUA) -- Bo Yibo, vice-chairman of the Central Advisory Commission of the Chinese Communist Party, met an economic delegation from Japan's Kansai area here today. The delegation is led by Hosai Hyuga, president of the Kansai Economic Association. Jia Shi, president of the China Council for the Promotion of International Trade, was present at the meeting.

PRC Seeks Economic Aid

OW031042 Tokyo KYODO in English 1020 GMT 3 Sep 86

[Text] Beijing, Sept. 3 KYODO -- Chinese leaders Wednesday strongly expressed hope for Japan's stepped-up economic and technical cooperation in promoting China's economic development and bilateral trade.

The hope was expressed when an economic mission from western Japan, headed by Hosai Hyuga, president of the Kansai Economic Federation (Kankeiren), met separately with four Chinese Government and Communist Party leaders. The leaders included Zheng Tuobin, minister of foreign economic relations and trade, and Bo Yibo, vice chairman of the Central Advisory Commission of the Communist Party.

Hyuga told the Chinese leaders that the western Japan business community will make sincere efforts to cooperate in China's economic development. After Zhen asked for advice on Chinese economic policy, Hyuga and other delegates of the mission proposed that China should actively introduce loans -- both governmental and private -- from abroad, as well as promoting the exchange of technicans with other countries. they also told Zheng that China should enhance export goods quality control and establish an export financing system.

Replying that he would give serious consideration to the proposals, Zheng said the Chinese Government is now studying two export promoting measures -- switching export emphasis to industrial products from raw materials and stepped-up introduction of foriegn funds.

Bo, meanwhile, expressed a strong hope for Japan's cooperation in promotion of China's modernization, especially in the field of science and technology.

He indicated the Chinese Government is determined to remove obstacles now hindering active foreign investment in China, such as the relatively high cost of land and wages that foreign firms engaged in joint ventures in China encounter. He also said the Chinese Government will make efforts to improve the overall investment climate in China.

Meets Wu Xueqian

OW041159 Tokyo KYODO in English 1146 GMT 4 Sep 86

[Text] Beijing, Sept. 4 KYODO -- Chinese Foreign Minister Wu Xueqian told a high-powered Japanese delegation here Thursday his country will maintain its open-door policy even after completion of its economic reform. But Wu rejected a Japanese request for protection of Japanese investment in China, arguing the demand is delaying the signing of an investment pact between the two countries.

Japanese officials said the foreign minister made the remarks in an hour-long meeting with a delegation of business leaders from the Kansai region, led by Hosai Hyuga, head of the Kansai Economic Federation.

Wu also said China would like further Japanese financial aid, according to the officials traveling with the Hyuga group. "China will maintain its open-door policy as a national policy even after it completes its present economic reform," the officials said Wu told the visiting Japanese business leaders in reference to China's new five-year economic development program that began this year.

On foreign investment, the foreign minister said Premier Zhao Ziyang recently ordered an improvement in investment climate to encourage more foreign enterprises to come to China, the officials said.

Visits Deng Xiaoping

OW050531 Tokyo KYODO in English 0518 GMT 5 Sep 86

[Text] Beijing, Sept. 5 KYODO -- Chinese leader Deng Xiaoping, in a meeting with Japanese business leaders here Friday, called on Japan to significantly step up financial and technical assistance to China. Deng told a high-powered Japanese delegation, "There are still a great many things we want Japan to do for us," adding, "In short we would like to see many more instances of economic cooperation."

During the 45-minute meeting with the group led by Hosai Hyuga, head of the Osaka-based Kansai Economic Federation, the 82-year-old Deng stressed that it was essential for China to take "bold" measures in introducing foreign capital into the country.

Japanese delegation members reported that Deng said it would take 60-70 years for China to achieve its modernization drive, during which tighter Sino-Japanese ties of economic cooperation would be necessary. Commenting on an earlier proposal to Vice Premier Tian Jiyun by the delegation to train more Chinese management staff, Deng said it was a "splendid offer."

According to delegation members, Deng dodged an invitation to visit Japan, replying only, "If I am still alive by 1997 (when Hong Kong reverts from British to Chinese rule), I hope to visit Hong Kong."

POLISH, PRC PARTIES TO ESTABLISH RELATIONS

HK050646 Hong Kong AFP in English 0642 GMT 5 Sep 86

[By Lawrence MacDonald]

[Text] Beijing, Sept 5 (AFP) -- Polish leader Wojciech Jaruzelski is to make a working visit here this month, establishing party-to-party links with China ahead of the Soviet Union's other allies, Western diplomatic sources said Friday.

Gen. Jaruzelski is to arrive in Beijing on September 28, following a trip to North Korea, for a three-day stay which would include meetings with Chinese state and Communist Party leaders, the sources said.

Informed East European sources confirmed the visit, adding that it would be described as a "working" or "non-official" visit so as to minimize resentment among other Eastern European countries, particularly East Germany, which had expected to be first to clinch party ties with China.

Beijing announced last week that East German leader Erich Honecker would visit here during the second half of October as president and party leader. China has yet to announce Gen. Jaruzelski's visit.

A press spokesman for the Polish Embassy said Gen. Jaruzelski would visit Mongolia and North Korea in late September. He declined comment when asked if the Polish leader would be stopping in China.

Analysts said it appeared that East European Soviet allies, having recently received Moscow's green light to accept China's overtures to establish party-to-party ties, were now jockeying for positions.

Chinese officials, who were quoted by a Western diplomatic source as confirming Gen. Jaruzelski's September visit, may have been seeking to encourage such an impression to strengthen China's position vis-a-vis the Soviet Union, the analysts said. If this were the case, it was possible the schedule could be further altered in the next three weeks, the analysts added.

East European sources have said that party leaders from Hungary, Bulgaria and Czechoslovakia would follow Mr. Honecker and Gen. Jaruzelski, with Mongolia and Cuba the last Soviet allies to forge party links with China.

Except for Romania, which has long maintained a special relationship with China, no Soviet ally in Eastern Europe has had party ties with Beijing or sent its leader on a visit here since the Sino-Soviet rift of a quarter century ago.

Beijing considers party-to-party links a normal arrangement that exists whenever officials from China and another country agree to exchange views in their capacity as party representatives, Chinese party officials have said.

No documents need be exchanged, though in cases where other countries request it China is willing to do so, the officials said.

East European sources said East Germany and China were likely to sign some sort of text of exchange notes on the establishment of party ties during Mr. Honecker's visit, but that this was not the case with Poland.

China has sought to develop trade, economic, technological and political ties with Moscow's East European allies, while officially restricting its relationship with the Soviet Union to "non-political" spheres.

Before Soviet President Mikhail Gorbachev came to power last year, Eastern European diplomats said they were ready to establish party links with China but would wait until after the Soviet Union had done so.

The change in Moscow's position appeared to be an attempt to draw China closer to the Soviet-led socialist countries and lessen its growing trade and technological reliance on the West, analysts said.

Chinese Premier Deng Xiaoping [as received] and party General Secretary Hu Yaobang have recently met with Japanese and Western visitors in apparent attempts to reassure them that China's development of party ties with Eastern Europe will not threaten Beijing's links with the West.

A commentary in a leading Chinese theoretical journal last week quoted a Chinese Communist Party spokesman as saying that even if China were to restore its party ties with Moscow, the two communist allies would never return to the close alliance of the 1950's.

PROTOCOL SIGNED ON TECHNICAL TALKS WITH HUNGARY

OW041356 Beijing XINHUA in English 1335 GMT 4 Sep 86

[Text] Beijing, September 4 (XINHUA) -- A protocol on the 25th meeting of the Committee of Scientific and Technological Cooperation Between China and Hungary was signed here this afternoon.

According to the protocol, China and Hungary will cooperate in 39 scientific and technological projects, covering the fields of machinery, coal, light and textile industries, medical and health work. The number of cooperative projects are expected to increase more than last year.

The document was signed by Zhao Mingsheng, chairman of the Chinese committee and vice-minister of machine-building industry, and Szekacs Imre, chairman of the Hungarian committee and general manager of the company for international scientific and technological cooperation of Hungary.

Present on the occasion was Song Jian, state councillor and minister in charge of the State Science and Technology Commission.

Prior to the signing ceremony Song Jian met and had a cordial and friendly talk with the Hungarian visitors.

The delegation arrived here on September 1.

PRC PAVILION OPENS AT TEHRAN TRADE FAIR

OW301849 Beijing XINHUA in English 1816 GMT 30 Aug 86

[Text] Tehran, August 30 (XINHUA) -- The Chinese pavilion in the 12th Tehran International Trade Fair opened here today. On display in the pavilion are 306 different kinds of China-made machinery and machine tools.

Speaking at an inaugurating ceremony, Chinese Ambassador to Tehran Wang Banzuo said that China is willing to develop and expand friendly cooperation with Iran on the basis of equality and mutual benefit.

No major progress is made in recent years in the economic and trade cooperation between the two countries because of trade imbalance. The two countries' total trade value last year was less than 200 million U.S. dollars, according to informed sources.

The 12th Tehran International Trade Fair opened last Tuesday with industrial goods from 27 countries on display.

LI XUEZHI MEETS CAMEROON ECONOMIC DELEGATION

HK030841 Yichuan NINGXIA RIBAO in Chinese 16 Aug 86 p 1

[Report by Jin Yuqin: "Ningxia Regional Party and Government Leader Li Xuezhi and Others Meet Cameroon Economic and Social Council Delegation"]

[Text] On the evening of 15 August, regional party and government leading comrades Li Xuezhi, Hao Tingzao, and Ma Yingliang met a delegation from the Cameroon Economic and Social Council at Ningxia Guesthouse. The hosts and the guests had a cordial and friendly conversation. Also present at the meeting were CPPCC National Committee Deputy Secretary General Ye Zhishan, regional CPPCC Committee Chairman Li Yunhe, and Vice Chairmen Ma Liesun and Yang Xin.

On behalf of the regional party committee and the regional people's government, Comrade Li Xuezhi extended a warm welcome to the Cameroon guests who were visiting the region. Comrade Li Xuezhi said: This is your first visit to Ningxia. I hope that you will make valuable comments on our work during your visit. I also hope for constant development in the friendly relations between our two countries.

Head of the Cameroon Economic and Social Council delegation Ayang Luc expressed his thanks for the warm welcome that the party and government leaders and the people of Ningxia region had accorded to the delegation. He also paid tribute to Ningxia's achievements in ecoomic, cultural, and other fields. He said: All these successes would not have been achieved without your party's leadership. Our main purpose in coming here this time is to learn something from you. He expressed his hope that the Chinese and Cameroon peoples would support each other and further develop the friendly relations between them.

The hosts and the guests posed for a group photograph and watched a theatrical performance together after the meeting.

PREVIEW OF PRC NUCLEAR EXHIBITION IN HONG KONG

HK041507 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0347 GMT 2 Sep 86

[Report by Zhan Moujun: "A Preview of a Chinese Nuclear Technology Exhibition in Hong Kong"]

[Text] Shenzhen, 2 Sep (ZHONGGUO XINWEN SHE) -- A nuclear technology exhibition consponsored by the Chinese Nuclear Society and the Association for the Promotion of Science and Technology of Hong Kong will be held in Star House, Tsimshatsui, Hong Kong beginning 13 September. When the exhibits were on their way to Hong Kong via Shenzhen, this reporter had a chance to preview them with the mayor of Shenzhen.

The exhibition has two parts: 1) The applications of nuclear and isoptic technologies and radiative technology in the industrial, agricultural, and medical fields; and 2) basic information about nuclear energy and nuclear power. Among the items on display are more than 10 models of nuclear power stations, pressurized-water reactors, nuclear islands, and steam turbine plants, and 107 exhibition boards, about one-fourth of which are about the Daya Bay Nuclear Power Station. Safety measures for this station are especially attractive to visitors.

The exhibition boards show that strict measures and supervisory systems have been adopted to ensure quality at the Daya Bay Nuclear Power Station. A safety supervisory station and an environmental monitoring station have been separately established by the State Nuclear Safety Administration and the Environmental Protection Bureau, and many multiple security systems have been adopted. Moreover, they also show that appropriate measures will be taken if accidents such as a sharp power increase, a slight loop break, a serious loop break, or a power failure occur.

From the exhibition boards, we can see that there is a sound protective system for safety at the Daya Bay Nuclear Power Station which ensures that the three protective screens of the reactors will work effectively and normally. Meanwhile, a regulative and protective system has been established to ensure that various parameters be kept within set limits.

The standard on radioactive effects on local inhabitants, presupposing a serious accident (to prepare for the worst), which has been set by the Daya Bay Nuclear Power Station, is much lower than that in the United States. The U.S. standard is based on people not getting hurt, but the Chinese standard is even lower and safer.

Experts explained that when considering the safety factors for the Daya Bay Nuclear Power Station, scientific standards and the most unfavorable conditions, such and unfavorable meteorological conditions and parameters, have been taken into account, without considering the consumption of radioactive materials in the course of diffusion due to decay and fallout. The factors are also considered on the supposition that people would be exposed to the radiation in their original areas for 30 days in succession.

Nuclear expert Zhu Fengxiang told this reporter that the reason our limits are set much lower than the U.S. standards in this respect is that our equipment is very reliable. The pressurized-water reactor provided by France for the Daya Bay Nuclear Power Station -- Model M 310 pressurized-water reactor -- is made in accordance with the new requirements put forth by the French safety bureau after the accident of the U.S. reactor at Three Mile Island. It has a sound safety features.

During our visit, Lu Guangyi, head of the Chinese nuclear experts delegation, said that when Deng Xiaoping and Zhao Ziyang met with Li Ka-shing, a well-known figure in Hong Kong, in July, they did not talk about the Daya Bay Nuclear Power Station. What was passed to the public was that Deng and Zhao told Li on that occasion that China was considering a halt to the building of the nuclear power station. This is merely a rumor.

PRC RECOGNIZES HONG KONG'S LEGISLATIVE COUNCIL

HK050708 Hong Kong SOUTH CHINA MORNING POST in English 5 Sep 86 p 1

[By Frank Choi]

[Text] The status of the Legislative Council [Legco] had long been recognised by China, the director of the Hong Kong branch of the NEW CHINA NEWS AGENCY, Mr Xu Jiatun, said yesterday.

It was the first time a senior Chinese official has openly stated that Beijing accepted Legco as Hong Kong's Legislature.

And China's recent invitation to Legco's nuclear plant fact-finding delegations to visit Beijing used their official titles rather than descriptions such as "young professionals" or "Community leaders from Hong Kong."

Members of the Executive and Legislative Councils have made trips to Beijing in the past to convey the views of Hong Kong people on various issues, but their invitations did not use their official titles.

And the views they conveyed were regarded by Chinese leaders as solicited or personal, rather than being those of Hong Kong people.

Mu Xu told reporters after a contract-signing ceremony for the constitution of a 33.95-metre-high Buddha statue on Lantau that the official invitation was addressed to Legco's fact-finding delegations to the United States, Europe and Japan.

As recently as early this year, Mr Xu said Legco's status would be respected but this did not mean acceptance.

Although subsequent attempts were made to clarify the situation, Mr Xu's statement yesterday was the first from a senior Chinese official to accept Legco as an official body representing Hong Kong.

Mr Xu said: "Legco's status, it has long been accepted, hasn't it?"

When asked about his previous statement that respect of Legco did not mean acceptance, Mr Xu said simply: "It wasn't the case."

He said it was expected the Legco delegates would meet the heads of all relevant departments during their Beijing visit.

This trip was specially arranged for the delegations, but other Legco members who wished to convey their views to Chinese leaders would be welcome in Beijing, he said.

Mr Xu also gave an assurance that Hong Kong would have a role in monitoring the operations of the Daya Bay nuclear plant.

He said: "I think this could be arranged."

The Chief Secretary, Sir David Akers-Jones, who officiated at the contract-signing ceremony, declined to comment on the Legco row over the Daya Bay issue.

LABOR MINISTER SPEAKS AT NPC COMMITTEE MEETING

OW040937 Beijing XINHUA Domestic Service in Chinese 1033 GMT 3 Sep 86

[Excerpts] Beijing, 3 Sep (XINHUA) -- Members of the 6th NPC Standing Committee attending its 17th meeting, yesterday morning heard a report by Zhao Dongwan, minister of labor and personnel, on the reform of the labor system. They generally favored the reform and considered it conducive to doing away with the practices of securing an "iron rice bowl" in employment and everyone "eating from the same big pot" in the distribution of income and bringing the initiative and creativeness of large numbers of workers into full play.

In discussing the report, members of the NPC Standing Committee pointed out that it is imperative to reform the labor system. [passage omitted] Yang Kebing, member of the NPC Standing Committee, held that the time is ripe for the reform of the labor system in our country. In Liaoning, "recruiting personnel from among workers' relatives" and "substituting one relative for another in work" have caused a drop in the quality of industrial and commerical workers as well as of those working in culture, education, and public health. This has also caused overstaffing and brought about a situation in which members of the same families work in the same units. It is, therefore, imperative to institute new recruiting and employment systems. [passage omitted] Huang Rongchang, member of the NPC Standing Committee, said: By reforming the labor system, we can change the situation in which no distinction is made between those who work and those who do not. By so doing, we can also change the siutaton in which enterprises suffer losses. At the same time, by so doing, we can arouse enthusiasm of large numbers of workers and staff members to make the country powerful and the people prosperous as soon as possible. He suggested that the reform be carried out as quickly as possible. [passage omitted]

NPC COMMITTEE REVISES DRAFT BANKRUPTCY LAW

OW041458 Beijing XINHUA in English 1440 GMT 4 Sep 86

[Text] Beijing, September 4 (XINHUA) -- A National People's Congress Committee suggested today the congress pass a provisional bankruptcy law covering state-owned enterprises this year instead of endorsing a full-fledged bankruptcy law. Unable to reach a consensus on permanent legislation, members of the NPC Law Committee said they would support either a "tentative law" or "provisional regulations."

The committee has been listening to opinions on proposed bankruptcy legislation throughout the ongoing 17th Session of the NPC Standing Committee.

Song Rufen, Law Committee vice-chairman, said Wednesday some Standing Committee members want a law passed this year while others believe that such a law would be premature at present. But Sheng Shuren, vice-minister of the State Economic Commission, said a full-fledged law is "necessary and possible." "Already, we have a considerable number of enterprises suffering losses," he said. "Without a bankruptcy law, they will have no sense of crisis."

Song said the proposed law has been revised to limit the number of enterprises affected. According to the revision, only those enterprises "which have a major bearing on the national economy and the people's livelihood" would be covered, he said. The revision would also require disciplinary action against "all authorities of higher leading bodies" responsible for an enterprise going bankrupt, except for the enterprise's attorneys, said Song. And, he said, it would guarantee that workers unemployed because of a bankruptcy would be paid enough to cover "their minimum living expenses."

RENMIN RIBAO STRESSES TECHNOLOGICAL POLICIES

HK050616 Beijing RENMIN RIBAO in Chinese 3 Sep 86 p 1

[Commentator's article: "Paying Close Attention to Technological Policies"]

[Text] The State Council has promulgated some technological policies regarding 12 important fields like energy resources, transportation, communications, agriculture, the consumer goods industry, the engineering industry, and so on. This is the first time since the founding of our country to have so many policy decisions made on such a large scale regarding the technological lines in the economic works. This is a big event in the development of science and technology and the economic construction in our country.

Whether in industrial and agricultural production or construction in urban and rural areas and in social development, there is always an issue of what kind of technological line to follow. The current development of science and technology can often provide various technological ways to realize a certain economic or social target. The decision about what kind of technology to adopt or what kind of technology not to adopt has a great bearing on what kind of economic and social effects we will achieve. In the past, because of a lack of explicit technological policies, each trade, locality and enterprises often did what they thought was right, resulting in painful lessons and grave losses. There are circumstances where people continue to use backward technology and do not seek technological progress and some trades are even still using the production techniques which should have been discarded long ago. There are circumstances where people mess things up by giving wrong orders and follow the wrong technological line, such as the practices during the period of "going all out to make steel and iron" and the practice of going all out to build "dazhai-type fields." There are also circumsstances where people blindly puruse "high-grade, precision and advanced industrial products." It seems that the more advanced the technology is, the better. Therefore, some people have prepared to get a good sleep after the introduction of the advanced equipment from foreign countries.

In order to avoid and prevent the abovementioned mistakes, it is imperative to establish and execute correct technological policies regarding all trades and professions. These technological policies promulgated by the State Council regarding the 12 fields are important policy decisions made by several thousand experts after summing up both the positive and negative experiences in history and studying and drawing on many countries' successful practices during a period of 3 years.

As these technological policies are state policies, every locality and department concerned are required to earnestly carry them out. This is not only the business of the scientific and technological personnel but also, first of all, the business of economic workers as well as the business of government departments at all levels. These technological policies of the state should be carried out in drawing up scientific and technological, economic, and social development plans, the carrying out of priority construction projects and technical transformation, the tackling of the key scientific and technological problems, the introduction of technology, the readjustment of the industrial and product structures, and the modernization construction as a whole.

The living soul of a correct technological policy is one which is realistic and suitable for our national conditions. These 12 technological policies were promulgated after giving full consideration to the natural, economic, and social conditions in our country as well as their necessity and potential. Meanwhile, in drawing up these policies, the necessary flexibility has been reserved, so as to let every locality adjust the policies to suit their local conditions and bring into play their adaptability and creativity. Policies are always products of a given period. Since science and technology are developing so rapidly, these technological policies should also be constantly revised and supplemented in the light of the changing and developing situation and through the necessary decision-making procedures.

As far as most comrades are concerned, implementing and enforcing technological policies is new work. Therefore, people should adopt a highly enthusiastic and serious attitude to study, master and implement these policies.

ZHONGGUO XINWEN SHE ON PRC TECHNOLOGICAL POLICY

HK040231 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0914 GMT 2 Sep 86

[Report: "China Formulates Technological Policies on 12 Areas Including Energy Resources and Transport" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 2 Sep (ZHONGGUO XINWEN SHE) -- Today, the State Commission for Science and Technology Deputy Chairman, Wu Mingyu, revealed that the State Council recently promulgated technological policies on 12 areas including energy resources, transportation, telecommunications, agriculture, the consumer goods industry, the machine-building industry, the building materials industry, urban construction, rural construction, urban and rural housing, as well as environmental protection. He said: This is the first time that China has formulated and promulgated technological policies on these important areas.

What is a technological policy? Wu Mingyu explained: This is a regulation of a policy nature in which the state gives macroscopic guidance on technology and economics. Its main contents are: To determine the goal of technological development, as well as clear and rational technological structure, production structure and product structure; to select the orientation of technological development; to propose ways and means for promoting technological advances; and so on.

Since China did not have any technological policy or made mistakes when formulating policies, China's work in science and technology, as well as its economic construction, developed in the wrong direction, thereby causing severe losses.

Wu Mingyu said: Beginning from January 1983, the State Commission for Science and Technology, the State Planning Commission and the State Economic Commission, joined by all other departments concerned, jointly carried out this great nationwide project Several thousand experts and administrative workers participated in the project. They worked out these 100,000 words long technological policies on 12 areas by summarizing these hundreds of millions of words long.

The leader of China's science and technology circles also pointed out: With the rapid scientific, technological, economic and social development of contemporary times, China will pay close attention to the new trends in technological and economic development, and will correspondingly promptly readjust and revise these policies.

It has been learned that the highlights of these technological policies on 12 areas will be publicized soon.

ADVANCED FOREIGN TECHNOLOGY IMPORTS AID ECONOMY

OW050524 Beijing XINHUA in English 0021 GMT 5 Sep 86

[Text] Beijing, September 5 (XINHUA) -- The introduction of advanced foreign technology "helped China invigorate its economy" during the country's Sixth Five-Year Plan period (1981-1985), a senior economist said today.

During the period, said the State Economic Commission official, the total value of goods and services produced grew nine percent a year. "This was a direct result of our import plan," he said.

According to the official, China introduced 3,900 items of foreign technology at a cost of 3.6 billion U.S. dollars between 1983 and 1985. Thanks to the use of imported technology, spinning, weaving, printing and other operations have reached international standards in some textile enterprises in China, he said.

"Think about television," he said. "In the early 1970s, few people in China had color TV sets." "Now in a year China produces more than four million color television sets mainly with imported technology," he said. "China's television industry has been able to skip ahead at least ten years technologically compared to where it would have been without the imports."

Imported technology has also changed other industries, including the news media, food processing, telecommunications, plastics, building materials and furniture manufacturing, he said. At the same time, according to the official, new technology enabled Shanghai enterprises to develop more than 10,000 new goods and Tianjin firms to find export markets for more than 100 high quality products.

YANGCHENG WANBAO ON UNDULY STRESSING BACKGROUND

HK041553 Guangzhou YANGCHENG WANBAO in Chinese 30 Aug 86 p 2

[Article by Mu Hui: "The Game of 'Background'"]

[Text] Due to the location of my work place and my position, visitors often come from afar to check to see if there is anything "inspiring," or what is the background behind a given matter or a given article. Being ill-informed, I am always searching for an answer. Sometimes where there is obviously nothing worth mentioning behind a matter or an article, the questioner remains doubtful -- thinking that I am willfully withholding information. This is really unjustified.

"Background" and the like can also be described as a kind of "information," but is closely related to things like the direction of the wind. It may not be correct to say that it is basically non-existent. Given aggression by foreigners, some people will favor war and some peace. Who are the backstage supporters of these two groups? The matter of background is involved. During the period of the southern Song dynasty, Qin Hui came out in favor of peace talks. His backstage supporter was Zhao Gou. This was what was in the background. During the period of Shen Zong of the Song dynasty, Wang Anshi advocated reform. Si Maguang opposed reform. This was also background. Given the rise and fall in officialism, if a person, as an official, does not want to lose his post and his head, he must find out something about the background before he makes his policy decision. As modern times go, tracing the background is a practice left over from the Cultural Revolution. During the 10-year period of disaster, given the changing political situation and uncertainly, the practice of tracing the background was all the rage. Some people did not dare to say anything without first getting at what was behind the scenes. The emergence of people that went with the tide had much to do with this.

Tracing the background, even if under different circumstances, can perhaps be justifiably described as the instinct of those that swim with the tide. Mao Qiling of the Qing dynasty was a learned man, but one without morals. In the later years of his life, he ingratiated himself with officials of the Qing government. The "Corrections of Mistakes in the Four Books" that he wrote attacking Zhu Xi's explanatory notes was intended as "a book humbly offered to the emperor one day as he made a tour of the south." Later, it turned out that the emperor highly valued Zhu Xi and put him on the same pedestal as Confucius. Meanwhile, the practice of throwing people into jail for no other reason than for what they wrote caught on. This scared Mao Qiling so that he immediately destroyed the printing plate for the "Corrections of Mistakes in the Four Books." From this it can be seen that ascertaining the background is a matter of life or death for certain people. Its importance cannot be undervalued.

In fact, it is not 100 percent safe to go by the available background to decide a person's attitude. A given background is likely to change. Shen Zong of the Song dynasty supported Wang Anshi in making reforms. Upon his death, Empress Dowager Gao intervened. Si Maguang rose to power and the group represented by Wang Anshi fell out of favor. After Empress Dowager Gao's death, Zhe Zong of the Song dynasty then supported the reformists. Seven or eight hundred people in the group represented by Si Maguang were dismissed from office. Things are uncertain and changeable. It is really difficult to "swim with the tide." Su Dongpo was, after all, praiseworthy. He showed the same attitude toward Wang Anshi and Si Maguang. He supported what he considered right and was against what was harmful to the people. Though he also suffered on account of this, he ended up being known as a man with independent views. He was a breed apart from those figures "with ball bearings as brains, springs as backs, and pinwheels for heads," who may temporarily be approved of but will go down in history as anathemas.

It is not always reliable to count on a given background to make one's way in life. The tragedy of Chen Xinjia, a minister with the title of "shangshu" in command of the army of the Ming dynasty, provides eloquent proof. Sending people to hold peace talks with the Qing army was originally the idea of Emperor Chong Zhen. This background could be considered very reliable. Chen Xinjia acted as ordered. It could be said that he had a very powerful boss behind him. But when word about peace talks was leaked, the matter became an immediate subject of attack in officialdom. Public opinion also reacted with opposition. Peace talks with the Qing army were unanimously denounced. Therefore, Emperor Chong Zhen, who was in the habit of changing his orders before the day was over, immediately assumed the posture of those war champions opposing peace negotiations with the Qing army. "Shocked to learn" of Chen Xinjia's committing a scandal unworthy of national dignity "behind his back," he put Chen Xinjia to death. Chen Xinjia was not the only scapegoat of this kind in history, and not the last. Of course, if something is done to uphold what is considered truth, then "being made a scapegoat" is different from the case of a slave who ends up a scapegoat by necessity after doing bad deeds against his better judgement.

Therefore, I want badly to drive it home to those friends who insist on checking the background: What counts is independent thinking. What is considered right should be supported. What is considered wrong should be opposed or let alone. Once I was invited by a friend in theatrical circles to see a show performed in a new style. After the show, we all agreed that it had made a good impression on us. Early the next day, we came upon a leader who had also watched the show. His comment on it was quite unfavorable. In his review published 2 days later, my friend echoed the view that the show was quite bad. If an attitude changes with the background, then how can we talk about what is artistically right or wrong?

I think that we must guard against the kind of people who thrive on the use of background. Where there is obviously nothing behind a certain person or a certain matter, these people purposely make a fuss and talk glibly to everyone -- arbitrarily making it seem that it has been inspired by a certain person or party and willfully creating confusion. This is a byproduct of the science of exploiting the background. In different cases, the story may be real or false, making things complicated and confusing. We must guard against this.

NEW LITERARY, ART MAGAZINE TO BE PUBLISHED

OW301424 Beijing XINHUA Domestic Service in Chinese 0545 GMT 28 Aug 86

[Excerpts] Beijing, 28 Aug (XINHUA) -- "WENYI LILUN YU PIPING" (LITERARY AND ART THEORY AND CRITICISM), a theoretical magazine run by the Marxist Literary and Art Theory Institute of the Chinese Academy of Art, will be officially published on 1 September. Wang Zhen and Bo Yibo wrote inscriptions for the magazine. Wang Zhen's inscription is: "Uphold and develop the Marxist literary and art theory in the People's Republic of China." Bo Yibo's inscription reads: "Uphold the literary and art standpoint of Marxism-Leninism-Mao Zedong thought and work hard to advance the socialist cause." Wang Renzhong and Zhou Gucheng also wrote inscriptions for the first issue of the magazine.

"WENYI LILUN YU PIPING" is a bimonthly. [passage omitted] A responsible person of the magazine said that the magazine will strive to carry out the principles of integrating theory with practice and of letting a hundred flowers blossom and a hundred schools fo thought contend, establish extensive contacts with writers, apply the Marxist standpoint in studying the new literary and art questions raised at home and abroad, and work hard to contribute to the prosperity of the cause of socialist literature and art.

SHANGHAI SOCIOLOGIST CRITICIZES PRC MASS MEDIA

OW041003 Tokyo KYODO in English 0915 GMT 4 Sep 86

[Text] Shanghai, Sept. 4 KYODO -- Newspapers in China do not carry news which people really want to know about, a sociologist in Shanghai says. People in China tend to believe in rumors, partly because the mass media here do not inform people what they need to know, he criticizes.

The criticism was written as an editorial by Gu Youngze and appeared in a recent edition of the weekly newspaper, SHE HUI BAO, published by a sociologists' group. The writer refers to an incident where many people were frightened by a rumor of a large-scale earthquake last July. The official media usually deny such rumors, but people are confused by "street reports," whose sources are many times attributed to foreign radio broadcasts like the Voice of America or other such sources, he says. This occurs because people tend to trust foreign news sources rather than their own mass media, the writer argues.

People cannot ignore rumors because they can be correct sometimes, the writer says. He cited as an example a report stating the sons of six senior officials of the People's Congress in Shanghai were arrested and punished for sexual offenses against women. The mass media reported the incident after the story was circulated in street gossips, the writer said. He says that such "backward flow" of information is peculiar to China and calls for a reform on the flow of information.

DRAFT LAW ON JOURNALISM TO BE READY 'NEXT YEAR'

HK020225 Hong Kong SOUTH CHINA MORNING POST in English 2 Sep 86 p 8

[By Terry Cheng]

[Text] The drafting of a Chinese journalism law has been revived amid calls for relaxation of rigid media controls.

Sources in Beijing told the SOUTH CHINA MORNING POST that the draft law would be ready by next year when members of the media would be invited to give their views.

If possible, the draft law would be submitted to the National People's Congress in 1988 for approval, the sources said.

Although there has been no official word, the fact that the official in charge of drafting the law has been back in the limelight appears to confirm that work on the law has begun again.

The drafting of the law seemed to have started early last year when Mr Hu Jiwei, the official in charge, met members of the Hong Kong media in Shenzhen to solicit their views.

Shortly after, however, in a speech to a Central Committee meeting of the Communist Party, General Secretary Mr Hu Yaobang said journalism should reflect what the party and Government said and espouse the party line and government policies.

"No matter what reform, we cannot change the nature of party journalism or change this work's relationship to the party," Mr Hu observed.

Work on the draft law had not been heard of since and speculation was that Mr Hu Jiwei had fallen into political disgrace.

However, a recently improved atmosphere in the cultural and propaganda fields has paved the way for a freer discussion of the problems of journalism -- one of the most sensitive areas under communist rule.

Mr Hu was among several senior staff members of the PEOPLE'S DAILY forced out of office in late 1983 during the "anti-spiritual pollution" campaign.

Earlier this year, the speculation was that he had also been relieved of responsibility for the draft law and a working office under him had been disbanded.

Instead, a plan was formulated to set up an ideological group under the Central Committee made up of known conservatives, among them Mr Hu Qiaomu, a serving Politburo member, and Mr Deng Liqun, the former propaganda chief.

Only after the intervention of top leader Mr Deng Xiaoping was the plan dropped.

Mr Hu was back in the limelight last month when he commended a journal published in the Shekou Special Economic Zone for criticizing the top official of the industrial zone by name.

The reappearance of Mr Hu's remarks in the official press, according to observers, is an indication that he is still in a position to take an active role in the drafting of the journalism law.

Reflecting this more tolerant attitude towards the media was a request by editors of several national newspapers during a discussion last month on greater autonomy in running their publications.

TIAN JIYUN VISITS HUBEI EXHIBITION IN BEIJING

HK281418 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 27 Aug 86

[Text] Today, State Council Vice Premier Tian Jiyun and Hubei Province Governor Guo Zhenqian visited the Hubei exhibition hall of the China Township Enterprises' Export Commodities Exhibition, which has been jointly held by the State Economic Commission and Ministry of Agriculture, Animal Husbandry, and Fisheries with the aim of displaying the achievements of the township enterprises in export to earn foreign exchange, further developing exchanges with foreign countries and foreign trade and contacts, and promoting the healthy development of the township enterprises.

Some 6,000 township enterprises of 26 provinces, municipalities, and autonomous regions throughout the country have taken part in this exhibition. Some 300 township enterprises of our province have put some 400 kinds of commodities on display.

At 0930 today, the opening ceremony of the exhibition was ceremoniously held in the National Agriculture Exhibition Center. Vice Premier Tian Jiyun cut the ribbon. While visiting the exhibition hall of our province, he was very interested in the preserved eggs of Jianli Country, jade articles of Shiyan and Songzi, bamboo articles of Tongshan, and cooker hoods of Wuhan City. He inquired in detail about the functions of the products and the situation in production. He also signed with pleasure for the Hubei exhibition hall.

Although they were tired after having just returned to Beijing form the United States, where they had conducted investigation, Governor Guo Zhenqian and his party, totaling three people, yesterday listened to the report by a responsible person of our province's group taking part in the exhibition and, full of zest, went to the Agriculture Center today to attend the opening ceremony. He demanded: All personnel of our province taking part in the exhibition must do a good job in this exhibition, learn from the progressives, and find out discrepancies so as to greatly develop exports of our province's township enterprises and to earn foreign exchange.

XI ZHONGXUN RECEIVES ADVANCED BANK WORKERS

OW311117 Beijing XINHUA Domestic Service in Chinese 1148 GMT 29 Aug 86

[By reporters Chen Yun and Ding Jianming]

[Text] Beijing, 29 Aug (XINHUA) -- A meeting to commend advanced collectives and model workers of the nation's banking circles closed this afternoon in the Great Hall of the People.

Before the closing session, party and state leaders, including Xi Zhongxun, Tian Jiyun, Hu Qili, Yao Yilin, Bo Yibo, Wang Heshou, Zhang Jingfu, and Wang Bingqian, were briefed on this meeting by Chen Muhua, state councillor and president of the People's Bank of China. After the briefing, the party and state leaders cordially received representatives of 96 advanced collectives, 254 model workers, and other participants in the meeting and posed with them for a group photograph.

At the 8-day commendation meeting, the representatives exchanged experience and discussed the major subject of how to consolidate the banking work force. They said: The consolidation of the banking work force is an important and urgent task and requires specific measures. For example, the evaluation of the cadres' job performance should be institutionalized and carried out periodically. Those with outstanding performance should be given commendations or rewards. Those whose expertise cannot be used should be transferred, on their merits, to the new posts at which they can display their expertise. If a worker's ability is inadequate for his work, he should be transferred to a post commensurate to his ability.

At the closing session, the representatives made a six-point appeal to the comrades of the nation's banking circles.

The six points are: Upholding far-reaching and high ideals and studying hard the basic Marxist theories; doing away with old ideas and concepts and influence of outmoded habits and actively plunging into the work of reforming the banking system; taking the overall interests into consideration and making funds available in every conceivable way for the program of the four modernizations; making painstaking efforts to delve into the question of how to improve their professional skills so as to continue to raise their work efficiency and quality; taking the initiative to observe the codes of social conduct and work ethics and to resist unhealthy trends; and learning from, catching up with, and then surpassing the advanced, striving for outstanding achievements at their respective work posts, and making joint efforts to fulfill the arduous task of the Seventh 5-Year Plan.

In a closing address delivered at the session, Qiu Qing, vice president of the People's Bank of China, requested that the organizations and leaderships at all levels in the banking circles make overall plans for the consolidation of the banking personnel in their respective localities and departments, work out concrete and practical measures for this purpose, and put them into practice so that real, substantial results will be achieved in consolidating the banking work force in their respective localities, departments, and units.

Leading comrades from the central departments concerned and from trade union, CYL, and women's organizations attended today's session and presented awards to the advanced collectives and model workers.

XI ZHONGXUN ON CHEN SHUTONG BIRTH ANNIVERSARY

OW311290 Beijing XINHUA Domestic Service in Chinese 1120 GMT 30 Aug 86

[By reporters Hu Qinghai and Sun Yong]

[Excerpts] Beijing, 30 Aug (XINHUA) -- More than 400 people from various circles in the capital gathered this morning at the Great Hall of the People to mark the 110th birth anniversary of Mr Chen Shutong. Attending the meeting were Peng Zhen, Xi Zhongxun, Yao Yilin, Rong Yiren, Kang Keqing, Hu Ziang, Qian Changzhao, Bao Erhan, Wang Guangying, Fei Xiatong, Zhao Puchu, Mao Yisheng, Liu Jingji, Qian Xuewen, Lei Jieqiong, and others. Xi Zhongxun conveyed greetings to Chen Shutong's relatives and friends at home and abroad from Deng Yingchao, chairman of the CPPCC National Committee. In his speech, Xi Zhongxun dearly cherished the memory of Chen Shutong and expressed his heartfeld respect for him. [passage omitted]

He then recounted the glorious exploits of Chen Shutong's lifelong struggle to vitalize China. Chen Shutong was born in 1876 in Hangzhou, Zhejiang. As early as in the late Qing Period he was taking part in the reform movement. [passage omitted] In 1948 Chen Shutong, firmly supporting the "1 May" call issued by the Communist Party of China, came to the liberated area, disregarding his personal safety, to take part in the preparatory work of organizing a new political consultative conference and to attend the first plenary session of the new political consultative conference. After the founding of New China, he was elected vice chairman of the National People's Congress Standing Committee three times; he also served as vice chairman of the CPPCC National Committee and chairman of the All-China Federation of Industry and Commerce.

Xi Zhongxun finally said: [passage omitted] Now China has entered a new historical era. We deeply believe that the great cause of peacefully reunifying the motherland with the policy of "one country two systems" will definitely be accomplished with the implementation of the policy of all-out reform and of opening to the outside world by our party and government. Chen Shutong's unfulfilled dream of a "future prosperous age" will certainly come true.

Hu Ziang, chairman of the All-China Federation of Industry and Commerce, also spoke at the meeting. [passage omitted] Also speaking were Qian Xuesen, Ma Wanqi, and relatives of Chen Shutong. Peng Qingyuan, vice chairman of the Revolutionary Committee of the Chinese Kuomintang, read the written speech of Zhu Xuefan at the meeting. This commemoration meeting was sponsored by the All-China Federation of Industry and Commerce.

LI PENG URGES DEVELOPMENT OF EDUCATION

OW300516 Beijing XINHUA in English 0109 GMT 30 Aug 86

[Text] Beijing, August 30 (XINHUA) -- Vice-Premier Li Peng called for greater efforts to develop vocational and technical education in the coming five years. Li is the minister in charge of the State Education Commission.

In an article contributed to the latest issue of "CHINA EDUCATION", Li said vocational and technical education is a weak point in China, especially in the rural areas. The purpose of such education is to train millions as junior and senior technicians, managers, skilled workers and other members of the labor force to enable them to master advanced equipment, techniques and management.

Ordinary workers, and junior and senior technicians and managers in a country are the majority operatives in industry, agriculture and the service trades, and are the main part of the population and principal creators of materials and commodities, he pointed out. Li noted that China's vocational and technical education has developed rapidly over the past few years.

The proportion of vocational and technical school students in the total of senior middle school students rose from five percent in 1978 to 18.8 percent in 1980, and 36 percent last year. In a number of municipalities and provinces such as Beijing and Shanghai, Liaoning, Shandong and Jiangsu, the proportion has topped 60 percent. However, the minister said, vocational and technical eduction is developing unevenly in the country.

A number of provinces and regions where the economy is developing slowly have paid little attention to vocational and technical education, he noted, saying that this will hinder the country's economic restructuring. Li called on leading officials at various levels to concentrate on the development of various types of vocational and technical education, especially in the rural areas.

The minister stressed the education and labor departments, and industrial sectors must stick to the principle of pre-employment training. Examinations will be given to trainees, and vocational and technical school graduates will have employment priority.

The minister encouraged educational departments, factories, labor departments, and democratic parties and organizations to run vocational and technical schools. He urged education departments at provincial and municipal levels to draw up a list of persons qualified to teach in this field in the next three to five years.

GU MU URGES DEVELOPMENT OF SOUTHERN XINJIANG

HK040233 Urumqi Xinjiang Regional Service in Mandarin 1200 GMT 3 Sept 86

[Text] State Councillor Gu Mu pointed out during a recent inspection of work in Kashi and Artux in southern Xinjiang that there are very great potentials and broad prospects for developing production in Kashi Prefecture and the Kizilsu Kirgiz Autonomous Prefecture. Economic construction in these two areas should develop still faster. State Councillor Gu Mu inspected work in Kashi and Artux from 31 August to 2 September, accompanied by Tomur Dawamat, Huang Baozhang, and Feng Dazhen, responsible comrades of the party and government in Xinjiang. Comrade Gu Mu seriously listened to reports delivered by responsible comrades of these two prefectures, visited the homes of suburban peasants, urban residents, and intellectuals, and toured factories and agricultural trade markets. He expressed satisfaction with the development of production, improvement of living standards, and prosperity of the markets there in recent years.

During his inspection, Comrade Gu Mu showed very great concern over the foreign economic relations and trade of these two prefectures, and delivered important instructions on this work. He told the responsible comrades of the Kashi Prefectural CPC Committee: Kashi was an important center on the historically-famous Silk Road. the Silk Road should recover its fame. Kashi and Kizilsu Prefectures should invigorate their foreign economic relations and trade a bit more. The localities should devote a bit more effort in this respect, while the state should relax its policies a bit more. He stressed: We should encourage other provinces to invest in running factories here. Two conditions are required for this: 1) A monopoly of certain resources. If you alone possess certain resources and raw materials, other places cannot compete with you. 2) With regard to things that you have and other places also have, it is essential to create conditions so areas can enliven foreign economic relations and trade work. It will also provide the necessary support.

Comrade Gu Mu said: It is necessary to actively develop industrial crops without, however, relaxing grain production. Under the premise of ensuring self-sufficiency in grain, it is necessary to take full advantage of local strong points and promote the production of fine cotton, cucurbit, fruit, dates, and so on. He emphasized: The key to developing agriculture in Xinjiang lies in water conservation. It is necessary to apply the spirit of the foolish old man who removed the mountain in grasping the questions of water and of greening the land, and work to continuously improve the state of agriculture and economy in these two prefectures. During his inspection of the two prefectures, Comrade Gu Mu also visited a number of famous cultural relics including the (Murfu) Pagoda. He said: There are many famous cultural relics here. There are relatively abundant resources for tourism. There should be a big development of the tourist business. Developing tourism also involves questions of tapping potentials, protecting, and using the cultural relics. It is necessary to make plans for all this work. We must take into account the solution of problems of food, accomodation, travel, entertainment, and buying things, and a complete set of solutions should be found and a comprehensive capacity to cater for tourists should be formed, which should yield economic results as quickly as possible. Also accompanying Gu Mu were Du Xinyuan, former secretary general of the State Council, and Zhu Rongji, vice chairman of the State Economic Commission.

Departs Urumqi for Beijing

HK050223 Urumqi Xinjiang Regional Service in Mandarin 1200 GMT 4 Sep 86

[Text] State Councillor Gu Mu left Urumqi for Beijing by plane this morning at the end of his inspection visit to Xinjiang. Gu Mu arrived in Urumqi on 24 August in the capacity of adviser to the Chinese side in the Sino-Japanese economic information exchange meeting. Apart from attending this meeting, during his stay in Xinjiang Comrade Gu Mu also paid inspection visits to Yili, Turpan, Kashi, Kizilsu Kirgiz Autonomous Prefecture, and elsewhere. Yesterday afternoon he listened to a work report delivered by the regional people's government. Du Xingyuan, former secretary general of the State Council, and Zhu Rongji, vice chairman of the State Economic Commission who accompanied State Councillor Gu Mu on his visit, returned to Beijing on the same plane.

WU XIUQUAN ATTENDS DALIAN ADVISORY MEETING

SK020132 Shenyang Liaoning Provincial Service in Mandarin 2100 GMT 1 Sep 86

[Text] The first meeting of the Northwest, North and Northeast China groups of the Central Advisory Commission was held in Dalian City of our province from 25 August to 1 September. Comrades Guo Feng and Song Li presided over the meeting. Wu Xiuquan, Standing Committee memeber of the Central Adivory Commission, attended.

The major item on the agenda of the meeting was to discuss the resolution of the CPC Central Committee on the guiding principles for building the spiritual civilization. Based on specific local new situations in overall reform, enlivening the domestic economy, opening to the outside world, and developing the socialist commodity economy emerged since the 12th national party congress, the participating members of the Central Advisory Commission (?discussed) the guiding principles, strategic position, tasks and content of socialist spiritual civilization. [passage indistinct]

Quan Shuren, secretary of the provincial party committee, Dai Suli, chairman of the provincial Advisory Commission, Bi Xizhen, secretary of the Dalian City Party Committee, Wei Fuhai, mayor of Dalian city, and other local leading comrades also attended to meet with the participating veteran comrades.

DENG LIQUN ATTENDS 1 SEP BEIJING PHOTO EXHIBIT

OW020429 Beijing XINHUA Domestic Service in Chinese 1121 GMT 1 Sep 86

[Excerpts] Beijing, 1 Sep (XINHUA) -- An exhibition of over 300 photographic works on our great times opened today at the China Art Gallery. Comrade Hu Yaobang inscribed "Beautiful China" for the exhibition. Shi Shaohua, chairman of the Chinese Photographers Association, spoke at the opening ceremony. [passage omitted]

The exhibition is jointly sponsored by the International Liaison Bureau of the Ministry of Culture, the Chinese Photographers Association, and the Chinese Pictures and Photographs Association. Deng Liqun, Mu Qing, Lu Deyou, and responsible comrades of departments concerned attended the opening ceremony and awarded prizes to the winners.

ANHUI'S LI GUIXIAN SPEAKS AT DISCIPLINE MEETING

OW041300 Hefei Anhui Provincial Service in Mandarin 1000 GMT 30 Aug 86

[Excerpts] The provincial meeting of secretaries of prefectural and city discipline inspection commissions, which ended in Hefei this afternoon, called for efforts to make new contributions to invigorating Anhui's economy by paying attention to party style and promoting reform.

The meeting started on 25 August. It was briefed on the guidelines of the three conferences held by the CPC Central Discipline Inspection Commission on (?discipline inspection), [words indistinct] and the handling of appeals from the people, summed up the discipline inspection work carried out by our province in the first half of the year, made decisions on the tasks to be accomplished in discipline inspection work in the second half of the year, and focused discussions on the relations between rectifying party style and carrying out reform.

Li Guixian, secretary, and Lu Rongjing, deputy secretary, of the Anhui Provincial CPC Committee, spoke at the meeting.

Comrade Lu Rongjing first reviewed the economic construction situation in the province. He said: Despite the very substantial development in recent years, our province's economic construction still lags far behind the advanced provinces in the country and the fraternal provinces in east China. [passage omitted] He said: The purpose of rectifying party style is to clear away obstacles for carrying out reform. It is to create a sound social and political environment to facilitate the development of reform. It is wrong to think that reform will be hamstrung and affected if we stress the rectification of party style. [passage omitted]

In his speech, Comrade Li Guixian emphasized that efforts to rectify party style must be consistent throughout the entire course of reform and that these efforts must be made by the whole party. He pointed out: Carrying out reform and opening to the outside world is China's basic policy. Paying serious attention to party style is one major step to ensure the smooth development of reform. Rectification of party style must be carried out simultaneously with reform. He called on party committees at all levels to seriously implement the principle of being determined and persistent in striving to achieve good results in rectifying party style in the next 2 years through conscientious and unremitting efforts. He also called on party committees at all levels to vigorously support discipline inspection work and hoped that discipline inspection cadres will step up study to further improve their political and professional quality and make discipline inspection offices firm in political stand, strong in organization, good in discipline and work style, and high in efficiency. [passage omitted]

FUJIAN SECRETARY GREETS MEETINGS ON HONG KONG LAW

OW040900 Fuzhou FUJIAN RIBAO in Chinese 23 Aug 86 p 1

[22 August Dispatch from Xiamen]

[Text] The Fujian provincial government and Xiamen City government jointly held a banquet this evening in honor of those who had come to Xiamen for special group meetings on basic law of the Hong Kong Special Administrative Region. Chen Guangyi, secretary of the provincial party committee, attended the banquet. [paragraph continues]

On behalf of the Fujian people, the provincial party committee, and the provincial government as well as the Xiamen City party committee and the Xiamen City government, he warmly greeted the convocation of the meetings and extended enthusiastic welcome to the participants. He said: Over the last few years, Fujian has made considerable progress in opening to the outside world. In the days to come, we should comply with the important instructions Comrade Deng Xiaoping issued on his recent inspection tour of Tianjin and should further quicken the pace in opening Fujian to the outside world. We should base our efforts on what our province has, give full play to our favorable conditions, and make good use of the special policies and flexible measures the central authorities want us to implement. Based on the results of wide-scale investigation and study, we should adopt further preferential measures to attract foreign investment so that we will make quicker progress in opening to the outside world, in conducting reforms, and in promoting economic construction. In this connection, we will welcome your criticism of Fujian's work and appreciate any guidance you may give us.

Also present at the banquet were provincial Vice Governor Chen Binfan, Xiamen Mayor Zou Erjun, and other responsible persons.

SHANDONG: 2 ECONOMIC CRIMINALS SENTENCED TO LIFE

SK050525 Jinan Shandong Provincial Service in Mandarin 2200 GMT 4 Sep 86

[Text] At the Jinan City rally on imposing serious punishment upon serious economic criminals, held on 4 September, the Jinan City Intermediate People's Court held an open trial of six serious economic criminals, including (Ma Yiliang), (Guo Liangyu), (Wu Jihua), and (Liu Heyi).

(Ma Yiliang), who was found guilty of asking for and accepting bribes and taking graft, was originally a clerk at Branch 11 of the Jinan City Telecommunication Bureau. Taking advantage of the convenient condition of working for the telephone exchange office of the provincial government, he sold motor cars, rolled steel and cement at a profit, stole communications instruments, extorted and accepted bribes, and took more than 233,000 yuan of graft. After his case came to light, he surrendered to the police carrying part of the illicit moeny with him, and showed signs of repentance. Therefore, he was dealt with lightly, sentenced to life imprisonment according to the law, and deprived of his political rights for life.

(Guo Liangyu), former businessman of the (Zhenggong) Supply and Marketing Cooperative in Licheng County, indulged in graft and fraud and accepted more than 65,000 yuan in bribes by means of stealing and selling building materials and forging documents when he was transferred to serve as purchasing agent of the capital construction office of the Jinan Professional University. Due to his serious crime and bad attitude in admitting his guilt, he was severely dealt with, sentenced to life imprisonment according to the law, and deprived of his political rights for life.

GUANGDONG PARTY SECRETARY DISCUSSES AGRICULTURE

HK040337 Guangzhou YANGCHENG WANBAO in Chinese 25 Aug 86 p 1

[Report by Gong Zhijin and Xu Huacheng: "Agriculture Can Make People Affluent"]

[Text] In a talk on the afternoon of 23 August, Guangdong Provincial CPC Committee Secretary Lin Ruo pointed out: "Agriculture can make people affluent. It is not, as some people say, that there are no good prospects for agriculture and that land is 'ragged cotton-padded clothes' that are not very useful but a pity to dump. Many facts have proved that so long as local strong points are brought into play to vigorously develop agriculture, the prospects will be bright."

Lin Ruo made the remarks in a talk on how to give publicity to Dongguan City, a typical example recommended by the provincial conference of county party committee secretaries, at the request of a YANGCHENG WANBAO reporter.

Lin Ruo first said: Your paper is interested in agriculture and feels its importance, which shows you and the provincial party committee are thinking of the same problem. Over a long period of time, quite a few people have neglected agriculture, believing that developing industry and doing business is the only way for rural areas to become affluent. Since the conference held by the provincial party committee last year on work in mountainous areas, many localities have corrected their wrong ideas and no longer engage in speculation. But some people are still worried about the future prospects of agriculture and whether agriculture can make people affluent. The facts cited at the provincial conference of county party committee secretaries have enlightened people. Agriculture can make people affluent as well. There are many typical examples in the province, and Dongguan just started off before the others and made it popular.

Lin Ruo said that many comrades, including party committee secretaries of some counties in the Zhujiang Delta, were convinced after visiting the typical example of Dongguan. While developing industry over the past few years, Dongguan City has not slowed down the development of agriculture, but has continued to develop it. They have not wasted land, but have expanded the usable area of land. The example of Dongguan has showed the great potential and appeal of agricultural development. Guanggdong's economic development began with agricultural invigoration during the Sixth 5-Year Plan, and the key to maintaining this good trend of economic development lies in whether we can properly develop agriculture in the next 1 or 2 years. This is of great importance.

In his talk, Lin Ruo expounded on the idea of "developing industry to complement agriculture." He said that "developing industry to complement agriculture" can only bring about a temporary solution, but cannot get at the root of the problem for rural areas to eradicate poverty. In a large country like China, without the development of agriculture, it will be impossible for industry to complement agriculture. Some localities have been divorced from practice and have blindly developed industry and made bricks without straw. They are now in a predicament due to shortage of raw materials.

Lin Ruo pointed out that Guangdong has many favorable conditions in developing agriculture. Because Guangdong is situated in a tropical and subtropical area, there are two or three crops in Guangdong every year. There are still 60 millin mu of barren hills and slope and water surface in the province that have not yet been exploited.

If these natural resources are brought into full play, enormous wealth will be created. It is not true that some of our comrades knew nothing about Guangdong's favorable conditions for developing industry in the past. The problem is that our understanding cannot be limited to lip service; we must concentrate our efforts to grasp the work.

Lin Ruo also put forth concrete suggestions on how to develop agriculture. He said that to develop agriculture, we must have the concept of commodity production, that is, we must arrange production according to the needs of market and grasp both production and circulation. When developing agriculture at present, we must stick to intensive operation of high input, high output, and high efficiency, and must refrain from previous extensive cultivation. We must guide peasants to run sizable household farms and concentrate land in the hands of farming experts so as to upgrade labor productivity of agriculture. Meanwhile, we must develop lateral ties just as we did in industrial production, and encourage joint development in which peasants offer land and units offer funds.

GUANGXI MILITARY DISTRICT'S PARTY RECTIFICATION

OW300541 Beijing XINHUA Domestic Service in Chinese 0612 GMT 28 Aug 86

[By reporters Zheng Guolian and Zhang Wanlai]

[Excerpts] Nanning, 28 Aug (XINHUA) -- "Those who wish to follow the party, see what we do." This slogan, put forward by the Standing Committee of the party committee of the Guangxi Military District in conduting party rectification, has been carried out. Members of the Standing Committee use the party's policy to guide their action, and set good examples for party members to follow. They have helped leading organs correct their party style. Troops in the military district have united from higher levels to lower levels, and successfully fulfilled the glorious task of defending the border region and defeating enemies.

The new leading body of the Guangxi Military District party committee was formed in 1983 after some readjustments. During the course of conducting party rectification, they clearly put forward the slogan: "Those who wish to follow the party, see what we do", to spur them on. Over the past 2 years, they have firmly adhered to the principle, imposed strict demands on themselves and worked harder than ever before. In the face of the arduous task of defending the border region and defeating enemies, the Standing Committee members fully brought out revolutionary spirit in dedicating themselves to the revolutionary cause. Either in peace time or in war time, they were devoted to waging struggles against the enemies in the border region. They were accustomed to working overtime. They very seldom rested, even on holidays. People said: "There are no Sundays on their work schedule, only the seventh working day." Once, a gun battle against Vietnam continued for several months. The Standing Committee members worked 14 to 15 hours a day, 7 days a week. Some comrades worked hard at their posts, even though they were sick. They often worked round-the-clock. The comrades of the PLA unit in the district said: The leading comrades in the military district have high political awareness and strong party spirit. They have played the exemplary vanguard role of a veteran Communist Party member. [passage omitted]

The leading comrades in the military district regularly educated their family members not to enjoy special privileges, participate in government or political affairs, and conduct business. They constantly educated their family members to observe party discipline and state laws and remain honest in performing their official duties.

When their relatives and friends asked them to make use of their authority to help solve problems in seeking employment, joining the Army, transferring their household registration, entering a higher school and getting transferred to a better job, the leading comrades patiently talked to them to bring them to senses or politely refused to comply with their requests. They never substituted feelings for principle. Commander Li Xinliang's nephew travelled a thousand li to come to the border region in an attempt to join the Army. Li Xinliang said: "I am in command of the troops. I do not recruit soldiers. If you would like to join the Army, you should apply in your hometown." Political Commissar Xiao Xuchu failed to comply with the request of his brother. His brother said: "You have little authority, although your rank is high." He said: "I have no authority at all in helping relatives and friends seek private interests." He Yaodong, deputy political commissar and head of the Political Department, refused to help his relatives and friends find jobs. People in his hometown told him: You refuse to have anything to do with your relatives and friends because you are now a high-ranking official. He told his relatives and friends: "No matter how high-ranking he is, a communist official has the obligation to implement policy first, before he recognizes his relatives."

HUBEI SECRETARY INSPECTS YUNYANG PREFECTURE

HK030157 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 31 Aug 86

[Excerpts] From 6 to 21 August, Comrade Guan Guangfu, secretary of the provincial party committee, went to all counties and cities of Yunyang Prefecture to conduct investigations and studies, pointing out: The work of the mountainous areas of our province has entered a new stage. It is necessary to further emancipate the mind, to deepen understanding, to renew concepts, to open up a new path, and to advance. On the basis of the achievements already scored, it is essential to make a big breakthrough in the work of each county and each prefecture, to popularize advanced typical examples and successful experiences in a large area, and to yield positive results in a large area.

Comrade Guan Guangfu pointed out: Over the past 2 to 3 years, the mountainous areas of Yunyang have made very great progress in their work. They have implemented in a better down-to-earth manner the spirit of the relevant directives of the central authorities and the spirit of the last year's conference of the provincial party committee on the work of the mountainous areas. [passage omitted] He pointed out: The principles and policies have now been defined, the road is correct, there are typical examples, and we have made a step forward. The current problems are to further emancipate our minds, to continuously deepen our understanding of the mountainous areas, to renew our outmoded concepts, to work in a down-to-earth manner, and to seriously implement the principles and policies in the grass-roots. The development of the socialist commodity economy requires us to renew our outmoded concepts in all spheres, including the political, economic, social and cultural spheres. When our concepts are correct, we can create wealth; otherwise, losses will occur and our work will be adversely affected.

Comrade Guan Guangfu highly praised the mountainous areas for finding a way to solve the problem of grain through scientific farming and increasing the per-mu yield. He held: This is an historic progress. [passage omitted] The only correct way is to carry out scientific farming, to increase the per-mu yield, and to suitably increase investment. [passage omitted] In doing so, we can ensure a steady increase in grain production and greatly readjust the production structure. Grain production and diversification can thus promote and complement each other.

While the mountainous areas do not relax the grasping of grain production by any means, they must vigorously develop diversification. [passage omitted] They must pay great attention to the protection and development of forest resources and rationally exploit and utilize forest resources. [passage omitted] They must do a good job in the readjustment of the forestry structure, in operation and management, and in the processing and circulation of special forest products. They must try to plant trees as much as possible. Grass must be sown where trees cannot be planted. We must protect vegetation and develop animal husbandry. On the large mountains and distant mountains which cannot be run by a single household, some state-run and collective forestry centers must be suitably set up. The state-run farms must play an exemplary role in the operation of forestry.

Comrade Guan Guangfu emphatically pointed out: It is necessary to grasp animal husbandry as a big pillar industry of the mountainous areas. Animal husbandry also encounters a problem of structural readjustment. The mountainous areas must regard the breeding of cattle and sheep as the main work. Of course, they must also raise pigs. However, the mountainous areas whose output of grain is not much must give prominence to the breeding of herbivorous livestock so as to exchange grass for meat, to exchange grass for milk, and to exchange grass for industrial raw materials. [passage omitted] We must regard the development of commodity production in animal husbandry as an important way to make the peasants of the mountainous areas get rich quickly. If the whole province wants to increase the production of cattle and sheep, the mountainous areas must take the lead and shoulder the heavy burden. All levels and developments must vigorously support them in the areas of capital and technology. To develop animal husbandry, it is essential to solve the problem of forage grass. We must utilize the natural grassland on the one hand and build the artificial grasslands on the other. As we cultivate crops, we must cultivate forage grass.

Comrade Guan Guangfu said: Relying on local resources to run industry is the necessary way to integrate financial units with agricultural units in the mountainous areas and there are infinitely broad prospects for it. The mountainous areas are backward because they have lacked the advantages of industry and resources and thus cannot transform them into strong points for the economy. When the mountainous areas want to develop industry, they must pay special attention to widening their field of vision, have their hands and feet unfettered, and vigorously develop complete lateral economic ties at many levels and in many forms. We must reiterate that localities must serve large enterprises and that we must rely on the large enterprises to develop the local economy. The large enterprises must adhere to the principle of contributing to the promotion of local economic development. This is also applicable to Yunyang Prefecture, Shiyan City, No 2 motor vehicle manufacturing plant, and the Sanjiang Engineering Bureau. All counties and cities of the mountainous areas must have an ambition to make first-class products, strengthen management, and improve quality. [passage omitted] In development and building, the mountainous areas must absorb more capital, recruit more qualified personnel, and attach great importance to science and technology. [passage omitted] The key to whether or not a breakthrough in progress in the work of the mountainous areas is made lies in the popularization of science and technology. To respect science, we must respect qualified personnel. The mountainous areas must adopt more flexible, more enlightened, and more farsighted policies toward intellectuals. They must create good conditions for the livelihood and work of the intellectuals working in the mountainous areas so that the latter can work successfully and fulfill their aspirations. We must solve through many channels the problem of capital for the building and exploitation of the mountainous areas. We must not ask the higher level for money as soon as we talk about building. We must apply the concept of the commodity economy to learn the way of making, seeking, controlling, and using money. We must spend our capital in a good, lively, and effective manner.

Comrade Guan Guangfu pointed out: It is imperative to help the people of the reservoir area enthusiastically and in a thousand and one ways to get rich as soon as possible. He said: Great comprehensive benefits have been scored in the construction of the Sanjiangkou pivotal water conservancy project. The people of the reservoir area have made great contributions. Many places are now still fairly poor. Helping them get rich as soon as possible is our duty. Under the guidance of the principle of the general policy of the central authorities, we must greatly relax the policies toward the reservoir area. The burdens of the peasants of the reservoir area must be further lightened. The quotas for ordering their grain, which should be reduced, must be reduced. [passage omitted] The masses can be given a free hand in embarking on readjustment and developing diversification and commodity production. All levels must support and lead the reservoir area to readjust its production structure and to exploit and utilize its resources. [passage omitted] We must mobilize the masses to make use of the water surface of the reservoir area to breed fish as they enthusiastically grow oranges, tangerines, and the fruits of large Chinese hawthornes. [passage omitted] Leaders at all levels and all departments concerned must regard helping the people of the reservoir area to get rich as soon as possible as their duty. They must make concerted efforts and do good and practical things vigorously, speedily, and in a down-to-earth manner for the people of the reservoir area.

Regarding the exploitation and building of Wudang Shan's tourism resources, Comrade Guan Guangfu pointed out: From the strategic plane of developing the economy of northwest Hubei, we m,ust consider the exploitation and building of Wudang's tourism work but must pay attention to not superseding the primary with the secondary. Comrade Guan Guangfu emphatically pointed out: The key to making a big breakthrough in the work of the mountainous areas and to promoting it lies in the groups, cadres, the ideology and work style of leaders at all levels. We must advocate and carry forward the majestic-looking healthy trend of conscientiously uniting to struggle hard and resist and criticize the bad work style of not doing practical work. The mountainous areas' conditions are difficult, their tasks arduous, and their situation complicated. The spirit of struggling hard and boldly sacrificing is needed. Leadership groups which can unite to struggle and have an indomitable spirit must be set up. [passage omitted] Leading cadres must study hard, go deep into the grass roots to conduct investigations and study and to solve new problems in the new situation. We must seriously train grass-roots cadres and improve their quality. We must discover, select, and promote qualified personnel.

CHONGQING INSTITUTES PLANT MANAGER RESPONSIBILITY

HK050245 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 4 Sep 86

[Text] The Chongqing City CPC Committee and government decided on 3 September that the plant manager responsibility system is to be immediately instituted in all enterprises in the city. The city launched pilot projects in this system in 1984. By the end of July this year, one-third of the city's enterprises had gained approval for practicing the system.

The successful experiences of the past 2 years have proven that the conditions are now ripe for instituting the system in all enterprises. The city party committee and government have therefore decided that all industrial enterprises owned by the whole people and subordinate to the city and its counties, Chongqing enterprises subordinate to the central and provincial authorities, and commerical enterprises owned by the whole people will institute the repsonsibility for plant managers and directors.

XIZANG'S WU JINGHUA AT MEETING ON PARTY STYLE

HK040605 Lhasa Xizang Regional Service in Mandarin 1130 GMT 2 Sep 86

[Excerpts] The regional report meeting on straightening out party style lasted 8 days and successfully concluded in Lhasa on the afternoon of 1 September. At this meeting, the reports made by all prefectures and units on the situation in straightening out party style were heard and the spirit of the relevant conferences held by the central authorities conveyed. During the meeting, the sixth enlarged plenary meeting of the regional Discipline Inspection Commission was also held. It summed up its work in the first half of the year and made arrangements for its work in the second half of the year.

At the conclusion of the meeting, regional party committee Secretary Wu Jinghua and Deputy Secretary Basang visited all comrades attending the meeting. They also delivered imporant speeches during the meeting. Comrade Basang said: Like the situation of the whole country, the situation of our region in straightening out party style has been very good since the beginning of this year. [passage omitted] The majority of the unhealthy trends existing in our region have been basically curbed. Preliminary achievements in investigating and dealing with big and serious cases have been scored. Party style has further improved. The whole party has initially straightened out party style. However, the work of straightening out party style in our region has developed unevenly. Leaders of some individual units have not really attached ideological importance to the work of straightening out party style. Judging from the situation in investigating and dealing with big and serious cases throughout our region, the progress in this work is relatively slow and the rate of cases settled relatively low. Our attention must be drawn to these problems and we must promptly study and solve them.

Comrade Basang said: Straightening out party style is a long-term and arduous task. At present, we are carrying out reform. A new situation and new problems will emerge continuously. Therefore, we must promptly understand the party's principles and policies and study and solve the new problems emerging in the course of reform. We must by no means allow some lawless elements to avail themselves of loopholes. We must also not allow some genuine reformers to be hurt because we are cracking down on crime in the economic sphere. We must create a good environment for reform so that reform can advance along the correct path.

Comrade Basang said: In the work of investigating and dealing with big and serious cases, we must ponder a problem -- how to prevent our party members from departing from the correct stand, from breaking the law, and from being used by people with ulterior motives in economic construction. To do well in handling big and serious cases, it is necessary to conduct education in party spirit. Our aim is not to investigate and deal with a few persons and to recover illicitly made money of several 100,000 yuan but to educate the whole party. We must therefore educate every party member. [passage omitted]

Comrade Basang said: Correcting the unhealthy trends of trades and professions has become a very important problem we are now confronting. The unhealthy trends of the trades and professions of our region now exist in varying degrees. The masses have reported that some are very serious. [passage omitted] Our party organizations at all levels must regard correcting the unhealthy trends of the trades and professions and establishing lofty professional ethics as an issue of straightening out party style and attach importance to it. All trades and professions must establish professional ethics of their own trades and professions. [passage omitted]

Comrade Wu Jinghua said: To straighten out party style, it is essential to first correct the ideological line. The so-called party style consists of our party's three excellent important work styles. The most important one is to integrate theory with practice. We must see whether our guiding ideology is correct. When we judge whether or not a party or organization is healthy and whether or not its party style is correct, we must mainly see whether or not its ideological line and guiding ideology are correct. At present, crime in the economic sphere in our region is relatively obvious and the unhealthy trends of all trades and professions are frequently seen. Leaders' bureaucratism and irresponsibility and individual corrupt elements have been found. In the final analysis, these things are a problem of party spirit, which has made these people's ideological line incorrect. [passage omitted] Regarding individual corrupt elements and a small number of malignant tumors within our party, we must be determined to remove them. Our main task is now to base everything on Xizang realities, to do everything to develop the productive forces of Xizang, and to do everything for the well-being of the people of Xizang. This is determined by the objectives of our party. We must use this guiding ideology to guide our actions. Our leadership departments at all levels and party members must therefore correct their guiding ideology and oppose both the left and the right. This is a cardinal question of right and wrong and an important criteria for measuring whether party style is correct or not.

Finally, Comrade Wu Jinghua said: While working in Xizang, we must correct our ideological line and pay attention to the unity of nationalities. Every Communist Party member must establish a proletarian view of nationalities and a Communist world outlook. He said with hope: Discipline inspection departments at all levels throughout the region should throw out their chests, be bold in and good at struggle, act as the bodyguards for straightening out party style, do several things in a down-to-earth manner, and restore the reputation of our party to the level of the 1950's as soon as possible.

HEBEI SECRETARY SPEAKS TO STUDY CLASS

SK250856 Shijiazhuang HEBEI RIBAO in Chinese 13 Aug 86 p 1

[Text] The study class for prefectural, city, and county party committee secretaries to study the "two major skills" sponsored by the provincial party committee concluded in Chengde on the morning of 13 August. Xing Chongzhi, secretary of the provincial party committee, delivered a speech entitled "The Crucial Point Lies in Digging."

Yue Qifeng, deputy secretary of the provincial party committee and secretary of the Tangshen City party committee; Qu Weizhen, Standing Committee member and Organization Department director of the provincial party committee; Liu Ronghui, Standing Committee member and Propaganda Department director of the provincial party committee; and Chen Yujie, Standing Committee member and Science and Education Department director of the provincial party committee, attended the closing ceremony.

During an inspection tour in our province's Yixian County in April this year, Hu Yaobang, general secretary of the CPC Central Committee, pointed out that the fulfillment of the Sixth 5-Year Plan depended on whether the central policies were correct, and the fulfillment of the Seventh 5-Year Plan will depend on the capabilities for practice of leading bodies at all levels. What are the capabilities for practice. He stated that one is to creatively carry out party policies, and the other is to correctly handle contradictions within the party. These are the two major skills. The purpose of the study class sponsored by the provincial party committee, which began on 15 July, was to study the two major skills in order for leading bodies at various levels to improve their capabilities for practice, effectively facilitate reforms in various fields and economic development, march toward the Seventh 5-Year Plan, and open up a new situation in rejuvenating Hebei. At the beginning of the study class, Xing Chongzhi gave a speech entitled "It Is Necessary To Master the Two Major Skills." Through independent study and thinking, integrating theory with practice, summing up experiences and lessons, democratic discussions, and hearing speeches, the participants studied how to creatively carry out party policies and the instructions of higher authorities, how to correctly handle intraparty contradictions, and how to strengthen the party's ideological and political work in three stages. Before the conclusion of the study class, each participant wrote an article on his personal understanding. Experts, including Du Runsheng, Sun Guohua, and Huan Xiang, gave lectures to the class. General Secretary Hu Yaobang met with the participants, and affirmed such a study method. During discussions with prefectural and city party committees, he stressed: "Things will be easier if leading persons at county, township, and village levels all dig into their work."

This study class has yielded good results. Young comrades said: "There are many things to learn in our work, but what we lack and need most are the two major skills." Through study, they have enhanced their ideological understanding, broadened their field of vision, learned some experiences, and increased their capabilities for practice. With a far-reaching significance, the study class will become a new starting point for a big stride in the work in various fields of our province.

In his speech delivered at the conclusion of the study class, Xing Chongzhi first summed up the achievements and fruits of this study class, and then expounded on "how to dig into work." He said: Digging means to create, study and explore, which is not only an issue on practice, but also on work styles and science. [paragraph continues]

As Comrades Xiaoping and Yaobang repeatedly put it, digging means to study and explore new and basic political, economic, social, and cultural issues inside and outside a prefecture, city, or county with the fundamental tenets and methods of Marxism; to master the laws and characteristics of their development and changes; to increase the ability to analyze and solve new problems; and then to acquire a stronger sense of adhering to principles in work, a systematic approach, and foresight and creativity and to improve work efficiency, develop the excellent situation, and speed up the pace in leading the masses to achieve affluence. Only when digging into work can we adapt to the needs of the new situation and new tasks, and score greater achievements in the Seventh 5-Year Plan than in the Sixth 5-Year Plan .

Our present tasks are reform and development, for which many questions need to be dug into. He said: In rural reform, we should dig into such questions as how to stimulate peasants' enthusaism for grain production, how to utilize and protect agricultural resources, and how to develop township enterprises more rapidly. In particular, we should understand the role and functions of agriculture in the national economy based on new practice. In urban reform, we should dig into such questions as how to successfully carry out the supportive reforms focusing on macroeconomic regulation and control; how to eliminate barriers between different departments and administrative areas, and carry out all-direction cooperation; how to further delegate power to enterprises, enhance their ability for equipment renewal, technical transformation, and development, and in particular, invigorate large and medium-sized enterprises; how to use the "bankruptcy law" to turn pressure into motive power, and enable some enterprises to halt deficits; how to ensure economic efficiency while achieving social benefit and social equity; how to promote a change in government functions, and properly divide the work of the party and government; how to make policy decisions in a scientific and democratic way; and so forth. Regarding the task of successfully building the spiritual civilization with the focus on reform and developing the commodity economy, we should study how to play the role to serve and gurantee; how to help the people shatter the fetters of outdated traditional concepts; and how to educate peasants, staff members and workers, and cadres with modern basic methods. Another important task we are facing is how to strengthen ideological and political work focusing on reform and development, strengthen party building, and further consolidate the achievements of party rectification. The provincial party committee only gives a subject, and it is you who should write the article. You should write a satisfactory one.

Speaking on how to achieve actual results, Xing Chongzhi said: The key lies in determination, ability, and practice. First, it is necessary to have a high revolutionary enterprising spirit and a strong sense of revolutionary responsibility. This is a basic motive force for digging into work. We should adopt the following measures: 1) conducting education successfully, 2) enforcing the target management system to inspire the people's enthusiasm with targets, and 3) establishing files on cadres' performance to reward the industrious and punish the lazy. Second, it is necessary to study diligently and enhance our ability. We should, first of all, study the fundamental tenets of Marxism and, in particular, thoroughly study the series of central documents issued since the 3d Plenary Session of the 11th CPC Central Committee. We should also study modern scientific, general, and other specialized knowledge, and in particular, knowledge on economic and administrative management, Third, it is necessary to maintain close ties with the masses. Reform is an undertaking for the masses which has a bearing on their fundamental interest. We should give publicity to it among the masses, and mobilize, organize, and closely cooperate with the masses to study and create. This is the only way to achieve success. Fourth, it is necessary for all quarters, members of party committees in particular, to work and advance together. Fifth, it is necessary to develop democracy. [paragraph continues]

In the past, our country had too many feudal practices that were not democratic, such as the "patriarchal system" "allowing only one person to have the say," "stressing seniority," the concepts on social stratum, "carving out spheres of influence," and self-enclosure. They are incompatible with the needs of reform and commodity economic development, and should be eliminated. These practices, if not eliminated, will become a great obstacle to our efforts to create, reform, and mobilize the masses' enthusiasm. We should extensively carry forward democracy within and outside the party, exercise democratic policy making, and further strengthen the work of brain trusts at various levels. Sixth, it is necessary to streamline the organs at higher levels. Overlapping and overstaffing of leading organs and administrative management departments have become a major defect hindering economic reform. For instance, many units, big or small, have established their own all-embracing systems with their own accountants, chauffeurs, typists, and other service personnel. This is a manifestation of small-scale production, and should be reformed in line with the demand for socialized service. Seventh, it is necessary to work out plans for "digging into work." After conducting extensive investigations and ascertaining the situation, we should classify the questions to be dug into according to their priority and nature, designate persons and organize departments to study them, and set a time limit and quality requirement for the tasks. In this way, we can dig into these questions group after group at every level and by all trades and departments, and dig into them more thoroughly and achieve greater results.

In conclusion, Xing Chongzhi said: Digging into work means to discover, understand and conscientiously solve problems, and push our work forward. Let us learn from and encourage one another, work together, and launch a down-to-earth emulation drive in digging into work.

HEBEI SECRETARY ADDRESSES CYL WORK CONFERENCE

SK050212 Shijiazhuang HEBEI RIBAO in Chinese 22 Aug 86 p 1

[Text] Today, Xing Chongzhi, secretary of the provincial party committee, gave a speech at the conclusion of the provincial CYL work conference in which he stressed the importance of further enhancing spirit and making the province's CYL work more lively. He also called on the party committees at all levels to give greater authority to the CYL organizations.

The provincial CYL work conference, which began on 19 August, further clarified the guiding ideology of "comprehensively vitalizing CYL work with a focus on the four modernizations," and mobilized the CYL organizations at all levels and the CYL cadres throughout the province to give consideration to the grass-roots levels, to go to the grass-roots levels, and to exert all-out efforts to do solid work for the grass-roots levels so as to make the province's CYL work and more lively.

Comrade Xing Chongzhi addressed the conclusion of the conference. He first affirmed that the main trend of the province's CYL work has been good. He said: After the readjustment of the leading bodies, the provincial CYL Committee has conducted extensive investigations and study at the grass-roots levels, helped in the CYL work, and enabled the members to become more competent. This was a prominent change in the work style of the provincial CYL Committee. However, the fundamental way to further improve the CYL work is to enhance the revolutionary spirit. In the new period, this revolutionary spirit is concentratedly reflected in the people's dedication, pioneering and enterprising spirit.

Comrade Xing Chongzhi said: At present, to enhance the revolutionary spirit, we must contribute to the following four fields: First, we should make contributions focusing on comprehensive reforms. The CYL organizations at all levels should serve as schools for educating youths and for studying reforms, as a backup force for supporting youths to boldly carry out reforms, and as guards for protecting youths while carrying out reforms. In the cities, the CYL organizations should contribute to reforming the employment system and vitalizing enterprises. Second, we should contribute to helping the rural areas eliminate poverty and become prosperous. The CYL organizations should organize the broad masses of youths to proceed with the reality, open up production avenues, develop commodity production, promote the vitality of the rural economy, exert influence on the rural areas and lead the masses in eliminating poverty and becoming prosperous within a short period of time. Third, we should contribute to training a new generation of people with ideals, morality and education and a sense of discipline. In the concrete practice of organizing youths to participate in reforms and construction, we should pay attention to conducting education and training competent persons. Fourth, we should contribute to achieving a fundamental turn for the better in social conduct. We should extensively conduct education on the legal system among youths, and encourage them to play an exemplary role in observing discipline and the law and to struggle agaginst all irregularities.

Xing Chongzhi said: To further vitalize the CYL work, we should strengthen and improve the leadership of the party committees at all levels over the CYL work. At present, the most important thing is to give greater authority to the CYL organizations and not to excessively or rigidly control the CYL work. It is necessary to create all kinds of favorable conditions for the CYL organizatons to display their role.

Lu Chuanzan, deputy secretary of the provincial party committee, also attended and addressed the conference.

HEILONGJIANG COMPLETES VILLAGE PARTY RECTIFICATION

SK050425 Harbin Heilongjing Provincial Service in Mandarin 2100 GMT 4 Sep 86

[Text] Village-level party rectification has been completed satisfactorily in our province. Ideological and political awareness of party members has been notably raised, party style has been further corrected, and the role of party organizations as fighting bastions has been greatly strengthened.

Village-level party rectification of our province began in January this year. During the party rectification, all localities educated party members on the fundamental purpose of the party, the qualifications and discipline of party members, current situation and policies, and the ideological line of seeking truth from facts, thus enabling them to have more initiative in working contentedly in rural areas, leading the masses in achieving affluence, and serving the people wholeheartedly. They organized the masses of party members, including those serving as cadres, to thoroughly study the documents on rural reform to eliminate the conservative idea of small-scale production and the remnant leftist influences, and to enhance their sense of reform and commodity production. They also gave prominence to rectifying party style. They redressed problems while rectifying party style, conscientiously corrected various unhealthy trends, and dealt with some party-member cadres and party members who abused power for selfish gains and violated law and discipline to a serious extent.

During party rectification, all localities strengthened leading bodies. They readjusted and replenished leading bodies organizationally in line with the principle of four demands on cadres, and therefore, notably upgraded their quality and combat strength.

SHENYANG PLANT DIRECTORS HIRED UNDER NEW SYSTEM

OW041024 Beijing XINHUA in English 0940 GMT 4 Sep 86

[Text] Shenyang, September 4 (XINHUA) -- Three directors, hired through advertisement, were officially in their offices today to pioneer a "factory asset and property responsibility system".

This new practice requires the director of a factory to be held responsible for the factory's capital gains and losses. They will have to list their family property and one-third of their annual income as collateral.

At the expiration of a three-year contract they will be evaluated. If profit is earned, they can continue with their job and be rewarded a bonus. If not, they will be fined, according to a municipal official.

The three Shenyang factories advertised for directors in early August and received 200 applications. After two examinations and an interview two former factory directors and an assistant engineer were selected. The three factories are attached to the city's automobile manufacturing corporation.

GANSU LEADER ON RURAL PARTY RECTIFICATION

HK280505 Lanzhou Gansu Provincial Service in Mandarin 2200 GMT 27 Aug 86

[Excerpts] A provincial conference on rural party rectification opened in Wuwei Prefecture on 25 August. Hou Zongbin, deputy secretary of the provincial party committee, spoke at the meeting on 27 August. He said that the county and township party committees must get a further grasp of building the rural party branches and help the party members to establish the concept of commodity economy.

Comrade Hou Zongbin said: In accordance with the demands of political structural reform, the county and township party committees must set work to solve the problems of lack of separation of party and government, replacement of the government by the party, and excessive interference in administrative matters. The county and township party committees must concentrate their main efforts on implementing the party's principles and policies, strengthening the building of the party itself, and on ideological and political work. The county party committees must regularly look into the building of the rural party branches and the education for party members. The township party committees must tackle this [illegible] directly. [passage omitted]

He said: Party members who abuse powers, violate law and discipline, and fail to play a model and leading role cannot be party branch secretaries. Those who are holding such posts must be removed. Some party members appear on the surface to have no contradictions, however, they fail to get any practical work done. Those too must be readjusted.

Hou Zongin said: To lead the masses to get rich through increasing production is the fundamental task of the rural party branches. Through party rectification, the party branches should be built into fighting forces leading the masses to get rich through increasing production.

During the village-level party rectification, we must regard changing ideological concepts as an important issue, and teach the party members to eliminate the ideas of small peasant economy and to establish the idea of commodity economy and to lead the masses to get rich through increasing production.

NINGXIA'S LI XUEZHI GREETS MUSLIMS ON CORBAN

HK030807 Yinchuan NINGXIA RIBAO in Chinese 17 Aug 86 p 1

[Report by Zhang Zhongxiao: "Ningxia Muslims Observe Corban, Li Xuezhi and Others Extend Festive Regards to All Muslims"]

[Text] The festival of Corban of the 1406th Muslim calendar year was celebrated on 16 August. On that day, Muslims throughout the Ningxia Autonomous Region observed their festival with boundless joy by slaughtering cattle and sheep and presenting each other with deep-fried dough cakes.

That afternoon, the regional nationalities affairs commission, the regional religious affairs bureau, and the Islamic Association held a tea party at the Ningxia Guesthouse auditorium to mark Corban. Representation of various nationalities talked cheerfully and extended season's greetings to each other, which symbolized the great unity among the people of all nationalities in our region.

Present at the tea party were regional leading Comrades Li Xuezhi, Xue Hongfu, Ma Qingnian, Li Yunhe, Shen Xiaozeng, Ding Yimin, Ma Yingliang, Ma Tengai, Hong Qingguo, and Wang Huanmin; leading comrades of Yinchuan city; well-known personages of all circles; imams of all mosques in Yinchuan, and representatives of Muslims, altogether more than 200 people.

CPPCC National Committee member Liu Gepeng attended and addressed the tea party.

During the tea party, regional party committee Secretary Li Xuezhi, on behalf of the regional party committee and government, first extended season's greetings to all Muslims throughout the region. Li Xuezhi said: Since the 3d Plenary Session of the 11th CPC Central Committee, the people of all nationalities throughout the region have made concerted efforts to achieve an excellent situation in the building of socialist material and spiritual civilizations under the guidance of the CPC Central Committee's correct line, principles, and policies. Islamic circles and the vast number of Muslims have held high the patriotic banner and firmly supported the party's leadership. Having deep love for socialism and conscientiously carrying out the policy of invigorating the economy at home and opening up to the outside world, they have made conspicuous achievements on various fronts, played an important rold in the reform of the economic structure, and made contributions to the enhancement of friendly intercourse and economic and technological cooperation between Ningxia and Islamic countries in the world. This year is the first year of the Seventh 5-Year Plan. I hope that Muslims throughout the region, under the party's leadership, will do a better job in implementing the party's nationalities and religious policies, enhancing the unity between and within different nationalities, and harmonizing the relationship between socialism and various religions. And I also hope that they will rouse their own enthusiasm, work together with the people of all nationalities in the region, make greater contributions, and unite to achieve greater successes in building the four modernizations and fulfilling the magnificent goal of making the Ningxia region prosperous.

Representatives of all circles also addressed the tea party, extending season's greetings to Muslims throughout the region.

URUMQI HOSTS CONFERENCE ON POLITICAL WORK

HK040349 Urumqi Xinjiang Regional Service in Mandarin 1200 GMT 2 Sep 86

[Text] At the regional conference on political work in the public security grass roots which recently concluded, regional committee Secretary Song Hanliang pointed out: The political and legal front is shouldering an important task of protecting the people, striking blows at the enemy, punishing criminals, and serving the four modernizations. The comrades on the political and legal front must realize a fundamental turn for better in party style and in the work style of the police and contribute toward promoting the fundamental improvement of party style and the general mood of society of the whole region.

Comrade Song Hanliang said: Ideological and political work is an important fundamental work of our party. To strengthen ideological and political work and to work hard to build the political and legal ranks into a force whose political sense is good and which is proficient in its professional work, strictly enforces discipline, and closely integrates with the masses is an extremely urgent and important task to strengthen the dictatorship of people's democracy and to defend and promote the four modernizations.

Comrade Song Hanliang pointed out: To do a good job in conducting education in ideals and discipline, it is essential to conduct education in [words indistinct] professional ethics [word indistinct] and discipline for the cadres and policemen. We must really conduct education in ideals and discipline. To implement the principle of attaching importance to ideological work, it is necessary to put ideological and political work above everything else and to do it in all aspects of work. In the light of realities, we must do ideological and political work. We must enhance people's ideological and political conscientiousness. To do ideological and political work, we must help the masses resolve their practical difficulties in the course of their work and resolutely discard the leftist method of work.

Comrade Song Hanliang said: The whole party must attach importance to the role and functions of ideological and political work and everyone must do ideological and political work. Every Communist Party member must play the vanguard and exemplary role. Every leading comrade must set an example and play an exemplary role. Every party branch must give full play to the role of a fighting force of ideological and political work. Only by so doing can our ideological and political work be really strengthened and can we quickly change the weak state of ideological and political work.

The regional conference on political work in the public security grass roots lasted 6 days and concluded in Urumqi on 31 August. The conference conveyed the spirit of the conference of the Ministry of Public Security on political work, reviewed the situation in implementing the principle of police work by their regional public security system over the past 2 years, and studied and formulated the tasks and measures of public security work for a certain period of time in the future.

Ba Dai, regional CPC Committee Standing Committee member and Political and Legal Commission secretary, also attended the conference and spoke.

TAIWAN, SOUTH AFRICA AGREE ON ECONOMIC TIES

OW041225 Taipei CNA in English 1030 GMT 4 Sep 86

[Text] Taipei, Sep. 4 (CNA) -- The 8th Sino-South African Economic and Technical Cooperation Conference ended Thursday with both parties agreeing to further strengthen cooperation in a wide range of fields.

Speaking at the closing ceremony, Economics Minister Lee Ta-hai said that the four-day meeting was fruitful, as Chinese and South African delegates concluded concrete agreements on future cooperation in many fields, including trade, investment, fishing, transportation, agriculture, technological research, medical services. "With the implementation of all the resolutions and agreements reached at the biennial meeting," Lee said, "Sino-South African relations, based on the current foundation, will certainly be further cemented and augumented.

Major accords concluded during the conference include:

-- The two countries will boost investment and financial cooperation;

-- The two countries will collaborate in developing their electronics industries;

-- The ROC [Republic of China] will consider reducing tariff rates for such minerals as silicon, manganese and iron;

-- The two countries will encourage their manufacturers and businessmen to exchange visits more frequently and explore possible cooperative projects;

-- The two countries will expand cooperation in academic research on coal mine safety measures, biotechnology, animal husbandry, medical services, soil conservation, fish culture, water resources exploration and information technology;

-- The two countries will sign an accord on cargo delivery cooperation later.

The Sino-South African economic cooperation meeting opened Monday in Taipei. The South African delegation, led by D.J. de Villiers, minister of trade, industry and commerce, is scheduled to depart for home Saturday.

EXECUTIVE YUAN REPORTS ON 'DIPLOMATIC OPERATIONS'

OW050455 Taipei CNA in English 0235 GMT 5 Sep 86

[Text] Taipei, Sept. 4 (CNA) -- The Executive Yuan said Thursday that the ROC [Republic of China] Government is watching closely the developments of Communist China's united front tactics, such as the "Hong Kong model" and "one nation, two systems" proposal, and is working on countermeasures to protect and enhance the nation's interests and status in the international community.

In a written report to the Legislative Yuan on the government's diplomatic operations over the past six months, the Yuan said that the government is making efforts to further the function of total diplomacy and to strengthen the substantive relations it has with countries, which may or may not have diplomatic ties with the ROC, based on the principles of reciprocity, freedom and democracy.

On the other hand, the government is actively taking part in international meetings and activities to expose the Peiping regime's conspiracies. It is also trying to help other countries increase their understanding of this nation and to inspire them to render greater support, the Yuan said.

In addition to enhancing substantive relations with other countries, the government is assisting domestic civic groups to join international organizations and increase their contacts and interflow with their foreign countries. Over the past six months, the government has successfully assisted domestic civic groups to become members of seven international organizations, bringing the total number of the nation's memberships in international non-governmental organizations to 670, the Yuan said.

From now on, it added, the government will continue to assist private cultural, arts, technical, medical, tourist, trade, economics, sports and research groups to attend meetings, compete or perform in other countries and to invite foreign groups to visit this nation in order to strengthen relations and interflow with other countries.

EXECUTIVE YUAN ON MILITARY COOPERATION EFFORTS

OW050457 Taipei CNA in English 0254 GMT 5 Sep 86

[Text] Taipei, Sept 4 (CNA) -- In order to better understand and respond more effectively to an ever-changing international situation, the ROC Government is actively promoting its substantive relations and military cooperation with friendly nations around the world, the Executive Yuan said Thursday.

In a written report to the Legislative Yuan on the government's important administrative measures in the first half of 1986, the Yuan said that in recent years the government has been cooperating closely with both private and public sectors in building up a self-sufficient defense industry for this nation.

Due to the government's strenuous efforts, the nation is now capable of producing F-5E fighters, AT-3 jet trainers, armored personnel vehicles, communition transportation vehicles and various kinds of naval vessels, it said.

In addition, the Defense Ministry is cooperating with the Taiwan Machinery Manufacturing Corp., Taiwan Aluminum Corp., China Steel Corp. and National Tsing Hua University in developing various alloy materials for military uses, it said.

At present, the nation is already capable of producing cannon barrels, armor plate, and some aircraft parts.

The Yuan also disclosed that a total of 720 private and state-run companies are now taking part in the research and development of weapons systems and parts, and 374 of them have been listed by the Defense Ministry as satellite plants responsible for providing over 1,400 items of military products.

COMMENTARY ON MAINLAND INTELLIGENCE OFFICIAL

OW042112 Taipei Domestic Service in Mandarin 2300 GMT 3 Sep 86

[Commentary: "The Defection of Yu Zhenshan"]

[Excerpts] According to an AFP dispatch from Peking, a Chinese Communist high-ranking intelligence official sought freedom after a visit in Hong Kong early this year. This has attracted special attention around the world, because he occupied a position of considerable importance in the (?bogus) State Security Ministry as director of its Foreign Affairs Bureau just before his defection. He was a senior Chinese Communist intelligence official who sought freedom (?not long after he was promoted to his last position). It is only natural that his defection has created much speculation, because he defected in January this year and the news of his defection was not leaked until 8 months later.

Last year the United States arrested Wu-tai Chin, a federal government employee, who worked as a spy for the Chinese Communists. Not long ago, the Chinese Communists detained John Burns, head of THE NEW YORK TIMES' Peking Office, on the ground that he was a spy. But 6 days later they changed that and expelled him. This has led to some speculation that there might be a link between these incidents. [passage omitted]

Not yet 40, Yu Zhenshan was already director of the Foreign Affairs Bureau of the Chinese Communists' State Security Ministry. [passage omitted] It is believed that he decided to seek freedom because he was deeply disappointed with the Chinese Communist rule, which is never dependable.

The Yu Zhenshan incident will cause serious consequences for the Chinese Communists in at least three areas. First, since his position gave him access to the data on Chinese Communist presonnel [words indistinct], the Chinese Communists will suffer a tremendous destructive blow. Second, [words indistinct] will lead to an extensive shakeup of the Chinese Communist offices concerned. Third, the fact that a person as young and as highly placed as Yu Zhenshan would still choose to defect will definitely have a widespread, ripple effect inside the Chinese Communist regime. [passage omitted]

COMMENTARY JUSTIFIES U.S. SALE OF ARMS TO TAIWAN

OW041455 Taipei CNA in English 1441 GMT 4 Sep

[Text] Taipei, Sept. 4 (CNA) -- The following is a commentary by the Broadcasting Corporation of China (BCC) in Taipei entitled "The Peace of Asia."

Although little is being said about the Taiwan Relations Act these days, Washington is prepared to speak out whenever there is a challenge to its intentions. This was the case when the Chinese Communists angrily denounced approval of a U.S. package of U.S. $260 million for the expansion of the Republic of China's [ROC] anti-submarine capability.

A State Department spokesman, Edward Derwinski, pointed out that the arms sale was consistent with the Taiwan Relations Act and is considered by the Reagan administration to be an investment in regional peace.

Meeting communist objections head-on, Derwinski said this could not be construed as provocative act.

The Republic of China has not disturbed the peace of the area, although the communists sought to draw the forces of Taiwan into combat. The Free Chinese are committed to peace, not war, and believe that the people of the mainland eventually will take the future of China into their own hands.

The State Department speaks of future diplomatic contacts between Taipei and Peking. Unfortunately, this is impossible in the present situation. The communists have repeatedly asserted that the Republic of China does not exist and that they are sovereign for Taiwan as well as the mainland. To negotiate with them would be to sign the death warrant of the Republic of China and doom 20 million people to enslavement.

Discussions can take place only when the people of continental China throw off the yoke of communism.

Terms for a reunited China have been offered many times. When the communists are gone from power, the Republic of China will return to its official seat at Nanking.

All Chinese will then join in the election of a new national assembly, legislative yuan and control yuan. These are the three bodies constituting the Chinese constitutional system.

Now even those people who served the communists will be punished. Only a few leaders may face trial for their destruction of Chinese freedom and persecution of the people.

The United States has said that is for the Chinese themselves to decide their future. That is so. That is precisely the reason for the existence of the Taiwan Relations Act. When President Carter recognized the Peking regime, the U.S. Congress saw the necessity of preserving and protecting the people of Taiwan against communist aggression and dictation.

This act, which is the law of the land in the United States, is not subject to change except by the executive and legislature, acting in concert.

It is easy for the ROC to accept the proposition that Chinese unification can be realized only through peaceful means. Free China never had any other intention.

Fighting would mean the destruction of both Taiwan and the mainland and could take the lives of millions. Only the communists would destroy and kill in order to extend their tyranny to the island province of Taiwan and the legitimate government of the Chinese.

Why does the United States feel compelled to sell anti-submarine weapons to the Republic of China? In all the world, only the Chinese communists threaten the free way of life on Taiwan. They have filled the Taiwan Straits with a huge fleet of undersea craft, of which some are believed to carry nuclear weapons.

The Republic of China has no submarines armed for adventures against the mainland. All its forces are oriented to the defense of Taiwan, not to the conduct of offensive operations against the Chinese mainland. This is in keeping with the U.S. policy toward Taiwan. Communist forces are bent on seizing Taiwan by military means, if the Republic of China continues to spurn the terms of surrender laid down by Peking.

The Republic of China and the United States have their differences. But the peace of Asia, including that of the Taiwan straits, is not among them.

HONG KONG

PHILIPPINE PARTY OFFICIAL VISITS HONG KONG

HK041513 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1420 GMT 3 Sep 86

[Report: "The Philippine Ruling Party's Secretary General Arrives in Hong Kong"]

[Text] Hong Kong, 3 Sep (ZHONGGUO TONGXUN SHE) -- Espina, secretary general of the Phillipine ruling party, arrived in Hong Kong this morning. In an interview with our reporter, Espina answered the following questions:

Question: After visiting Indonesia and Singapore, Corazon Aquino will pay a visit to the United States. What is the purpose of this visit?

Answer: The first is to show goodwill. She will discuss with President Reagan the question of stabilizing the Philippine situation. The second is to encourage Philippine nationals residing in the United States to increase investments in the Philippines and to help the motherland revive its economy as soon as possible.

Question: What is the greatest problem facing the Philippine political situation?

Answer: To change the corrupt policies of the Marcos rule, to strive to hold talks with the communist guerrillas, and to stabilize the situation. Only when there is a peaceful environment will it be possible for the people to engage in farming and other production and for the economy to revive.

Question: How are the trade relations between the Philippines and Hong Kong?

Answer: The trade relations between the Philippines and Hong Kong, as well as other countries in Southeast Asia, are normal. The principal Philippine exports to Hong Kong are mangos and white sugar. The government encourages businessmen to develop trade relations with other countries in Southeast Asia. However, the Philippines major trading partners are the United States and Japan.

Question: Will the new government allow Marcos to return to the country?

Answer: It seems unlikely that Marcos will return. If he should return, he would be tried by the people. The government does not welcome his return either. If Marcos should be tried in the future, it will be held in the court set up by the Marcos government. Unless Marcos is sent to prison or fined, his property in the United States and Switzerland will certainly be recovered because it amounts to more than his normal income would have been.

S. AFRICA'S PIK BOTHA TO PAY VISIT; PROTESTS PLANNED

HK050606 Hong Kong HONGKONG STANDARD in English 5 Sep 86 p 3

[Excerpt] South Africa's Foreign Minister, Mr Roelof (Pik) Botha, will visit Hong Kong next week for what has been described as a "mission to beat economic sanctions" against his country.

Although the visit is unofficial, it is understood that Mr Botha will "unofficially" meet some top Government officials, as well as business magnates who import goods from South Africa, during his two-day stay.

The South African Consulate is tight-lipped about the visit, while a spokesman for the Government Protool Division said: "We have nothing to do with Mr Botha's visit."

But sources said Mr Botha will be accorded the usual protocol reception given to all visiting foreign dignitaries who come on unofficial visits.

An anti-apartheid group in Hong Kong, the Joint Committee Concerned With Human Rights in South Africa, is unhappy about Mr Botha's visit and is planning a series of protests.

The committee's spokesman, Mr Lee Cheuk-yan, said the protests will urge Mr Botha's government to scrap the apartheid policy.

Regarding Mr Botha's visit itself, Mr Lee said he understands the logic behind the visit.

Political analysts regard the visit as one aimed at influencing Hong Kong to continue trade with Pretoria.

The Government banned the import of krugerrands last month and was reported to be drawing up contingency plans to impose further sanctions on South Africa. Hong Kong imports large quantities of coal and foodstuffs from South Africa, but anti-apartheid groups have urged the local Government to ban imports. [passage omitted]

MACAO

PORTUGUESE DELEGATE ARRIVES FOR TALKS WITH PRC

HK030854 Hong Kong AFP in English 0834 GMT 3 Sep 86

[Text] Macao, Sept 3 (AFP) -- The head of a Portuguese delegation negotiating the handover of Macao to Chinese administration arrived here Wednesday for talks with local groups. Rui Medina refused to talk to reporters on arrival here, but sources said he would meet with Macao Governor Pinto Machado, member of the local assembly and other Portuguese representative groups during his four-day visit. Mr Medina heads Lisbon's delegation in talks with Beijing on returning this Portuguese-administered territory to Chinese administration. He is here to collect information on the local aspirations of the Portuguese community and their concerns for the future, before a second round of Sino-Portuguese talks due to begin Tuesday in Beijing, sources here said.

The first round was held in Beijing June 30-July 1.

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XINHUA REVIEWS RESULTS ON NONALIGNED SUMMIT

OW072031 Beijing XINHUA in English 1829 GMT 7 Sep 86

["Non-Aligned Movement Is in the Prime of Life But the Journey Is Long; by Chen Shengtao" -- XINHUA headline]

[Text] Harare, September 7 (XINHUA) -- The 8th summit of the non-aligned countries which represents approximately 100 states totaling two billion people, came to a successful close early this morning. After a week of enthusiastic discussions, and also hectic debate, non-aligned leaders issued a political declaration, an economic declaration, and a special declaration on southern Africa, to show the world how the Non-Aligned Movement looks at the host of major issues of the world today and what its positions are.

Both the conference and its documents indicated that the situation in southern Africa was a predominant question dealt with by the leaders, who almost without any exception severely condemned the racist regime in Pretoria for its pervasive conduct.

As a matter of fact, the selection of Zimbabwe, a neighbor of South Africa, as the venue of the summit was in itself a sign that the leaders were to launch at the conference a crusade against the pretoria regime, the last bastion of colonialism and racism in the world, and to lend a hand in the emancipation of the 20 million black people in that part of Africa. The leaders cited Pretoria's crimes in practising apartheid, massacring African resistants, blocking Namibia's independence and committing acts of aggression and subversion against the neighboring frontline states.

In the special declaration released by the conference, the leaders called on the international community to apply comprehensive, mandatory sanctions against Pretoria, and take measures to accelerate Namibia's independence. A solidarity fund for the frontline states will be set up to extend emergency or long-term loans to them. The vigorous act taken by the leaders at the summit will undoubtedly contribute to the uprooting of colonialism and the complete liberation of Africa.

Another focal subject at the summit was the scramble between the two superpowers in middle areas [as received] that have given rise to a series of wars affecting non-aligned countries and even leading to downright military intervention.

Not a few countries, particularly Pakistan, Singapore and Malaysia denounced the military occupation of Afghanistan by the Soviet Union, and of Kampuchea by Vietnam with Soviet backing, either mentioning or without mentioning the name of the aggressor.

Cuba, Libya and Syria and a few other countries unleashed harangues against the United States for its interference in Nicaragua's internal affairs, its backing for Israeli expansion in the Middle East, and its balking at solution of the Palestine question.

The charge against both the Soviet Union and the United States manifested themselves in the political declarations in sections on the situations in specific regions. The political declaration also had this to say: "The security and independence of non-aligned countries were being increasingly threatened by colonialist policies, by great-power and bloc rivalries, by imperialist policies of domination and by the quest for spheres of influence ... all of which had led to military, political and economic pressures and foreign interventions against non-aligned countries."

It also said: "The extension of the East-West confrontation to local and regional disputes complicates them further, renders their resolution difficult and endangers world peace."

All these remarks have vigorously exposed the fact that the contest between the two superpowers is the root cause of many of the turbulences that have taken place in the world.

With regard to conflicts between non-aligned countries, the leaders were unprecedentedly sonorous in urging the parties concerned "to abide strictly by the principles of the United Nations Charter and of peaceful coexistence," "refraining from the threat or use of force in international relations."

Many leaders expressed deep "concern" with armed conflicts and wars between member countries, especially with the Iran-Iraq war. Kuwait therefore proposed the creation of a committee composed of leaders of state of non-aligned countries to mediate the war.

Morocco and Cyprus avowed their willingness to accept solution to the issues of Western Sahara and Cyprus in accordance with relevant United Nations resolutions.

Economic issue was another point much attended to. It dominated almost one half of the leaders' speechs and the conference documents in length.

The conference's economic declaration emphasized that "all forms of racial discrimination, foreign aggression, occupation, domination, hegemony, expansionism, exploitation and destabilization constitute fundamental obstacles to the economic liberation of developing countries." It went on to say that "the unjust and inequitable international economic system constitutes a major impediment to the development process of non-aligned and other developing countries."

Pointing to the inter-dependence between economies in the world, the declaration urged developed countries to adopt "an integrated approach" and to "enter into serious negotiations" with developing countries on the issues of money, finance, debt, trade and development.

The document also stressed the "importance of collective self-reliance" through South-South cooperation. An overview of the document showed that the non-aligned have already identified the crux of their economic woes and the way out.

The documents of the conference also dealt with such issues as disarmament and international security and the situations in those "hot-spots".

The summit conference was called at a time when the non-aligned countries are faced with numerous difficult problems. This can be seen from the existence of the turbulences in southern Africa and Central America, the foreign military occupation of Afghanistan and Kampuchea, the annual 1,000 billion dollars of military spending worldwide, and the approximate 1,000 billion dollars of dept owed by the developing countries.

However, the summit conference dealt with them and achieved positive results. This is added proof that the Non-Aligned Movement, after 25 years of growth, has reached its maturity and is buoyant with vitality. No force whatsoever can arrest its advance.

Nevertheless, while one looks at the summit's final documents, it is not difficult to find that many of the issues dealt with this time had been dealt with at preceding summits.

It is no easy job to do away with world evils and the journey of the Non-Aligned Movement is bound to be long.

LI PENG OPENS BEIJING INTERNATIONAL BOOK FAIR

OW051058 Beijing XINHUA in English 1034 GMT 5 Sep 86

[Text] Beijing, September 5 (XINHUA) -- The Beijing International Book Fair, the first of its kind since the founding of the People's Republic of China in 1949, opened here today at the Beijing Exhibition Center. On display are about 50,000 titles covering natural sciences, engineering and technology, social sciences and the humanities. They occupy a total floor space of 7,800 square meters.

A total of 1,055 publishing houses from 35 countries, regions and international organizations participate in the fair and they include some from Britain, China, the Federal Republic of Germany, Hong Kong, Japan, the Soviet Union and the United States.

In his opening speech, Wu Mingyu, president of the fair organizing committee, said, "The books on display here account for only an insignificant part of the books published worldwide in a year, but they represent the latest publications of world's leading publishers and reveal to us the cream of international publications and the progress made in the publishing trade."

The exhibitors include McGraw-Hill Book Co. and Time-Life Books from the United States, the World Publishing House from the Soviet Union, Pergamon Press from Britain, Springer Verlag from the Federal Republic of Germany and Kodansha from Japan.

Wu Mingyu said: "The seminars and the business talks scheduled during the fair will serve as opportunities for publishers and booksellers from different countries to share experience and enhance mutual understanding." The Chinese Government had decided to hold such a fair biennially hereafter, the official announced.

Li Peng, vice-premier of the State Council and honorary president of the organizing committee of the book fair, cut the ribbon for the opening ceremony. Li Peng met and had a talk with general manager of the Pergamon Publishing Company Kevin Maxwell after the ceremony.

Leaders Meet Foreign Publishers

OW051420 Beijing XINHUA in English 1347 GMT 5 Sep 86

[Text] Beijing, September 5 (XINHUA) -- Chinese leaders met foreign delegates of publishing houses attending the on-going Beijing International Book Fair here tonight at the Great Hall of the People. The leaders were Vice-Premier of the State Council Li Peng, Vice-Chairman Zhou Gucheng and Yan Jici of the Standing Committee of the National People's Congress.

Among those present on the occasion was Wu Mingyu, president of the fair organizing committee and vice-minister of the State Science and Technology Commission. The Beijing International Book Fair opened here this morning.

DENG XIAOPING INTERVIEWED BY MIKE WALLACE

OW070300 Beijing XINHUA Domestic Service in Chinese 2305 GMT 6 Sep 86

[Text] Beijing, 7 Sep (XINHUA) -- Deng Xiaoping, chairman of the Central Advisory Commission of the Chinese Communist Party, granted a TV interview to Mike Wallace, journalist from the CBS program "60 Minutes" of the United States on 2 September. Following are the major points of his remarks in answering questions raised by the journalist with regard to issues of Sino-Soviet relations, Sino-U.S. relations, China's reunification, and others.

Wallace: What is your comment on the speech made recently by Gorbachev in Vladivostok?

Deng: There is something new in Gorbachev's Vladivostok speech. This is why we have expressed a cautious welcome to what is new and positive therein. However, Gorbachev's remarks also show that he has not taken a big step. Soon after Gorbachev made his speech, an official from the Foreign Ministry of the Soviet Union also made a speech which was different in tone. This shows that the Soviet authorities have to decide among themselves what China policies to pursue, and so we still have to wait and see.

Wallace: Have you met with Gorbachev before?

Deng: No.

Wallace: Would you like to meet with him? He said before that he was willing to discuss any issue with you at any time and at any level. Are you willing to hold a summit meeting with him?

Deng: If Gorbachev takes a firm step toward the removal of the three major obstacles to Sino-Soviet relations, particularly urging Vietnam to end its aggression in Cambodia and withdraw its troops from there, I myself will be ready to meet him.

Wallace: The Vietnamese today said that they are willing to hold negotiations with China so as to end the difficult situation between China and Vietnam.

Deng: Vietnam has made this kind of gesture at least 100 times. We have also clearly told Vietnam: The prerequisite is the withdrawal of all Vietnamese troops from Cambodia. The Cambodia issue is to be solved by the quadripartite administration in Cambodia through negotiations.

Wallace: Therefore, so far as the summit meeting between Deng Xiaoping and Gorbachev is concerned, the ball is in Gorbachev's court.

Deng: The Soviet Union can play its part in urging Vietnam to withdraw all its troops from Cambodia. For without Soviet backing, the Vietnamese cannot go on fighting in Cambodia for a single day. Gorbachev evaded this question in his Vladivostok speech. Therefore, I say that the Soviet Union has not taken a big step toward the removal of three major obstacles to Sino-Soviet relations.

Wallace: It looks like the relations between China and capitalist America are better than those between China and the communist Soviet Union. Why is that?

Deng: China does not look at a social system when it judges an issue. Sino-U.S. relations are determined by the specific situation in the relations between China and the United States, while Sino-Soviet relations are determined by the specific situation in the relations between China and the Soviet Union.

Wallace: Chairman Deng, just now my program producer told me to ask you once again if you, Chairman Deng, are willing to meet with Gorbachev.

Deng: I already said that a while ago. The main issue is that if the Soviet Union can contribute to the withdrawal of Vietnamese troops in Cambodia, this will remove the main obstacle in Sino-Soviet relations. I would like to repeat this once again. The main obstacle in Sino-Soviet relations is Vietnamese aggression against Cambodia. Vietnamese troops stationed in Cambodia constitute a problem which has actually placed Sino-Soviet relations in a hot spot. Once this problem is resolved, I am willing to meet Gorbachev. I can tell you, now I am over 82, already advanced in years. I have long ago accomplished my historical task of making overseas visits. I have decided not to make any overseas visits. If this obstacle in Sino-Soviet relations is removed, I will be ready to break this rule and go to any place in the Soviet Union to meet with Gorbachev. I believe that a meeting like this will be of much significance to the improvement of Sino-Soviet relations and the normalization of Sino-Soviet state relations.

Wallace: Specifically, which obstacle comes first?

Deng: Among the three major obstacles, the main one is Vietnamese aggression against Cambodia. China and the Soviet Union are actually in a state of confrontation, a hot spot, a confrontation which takes the form of pitting Vietnamese Armed Forces against China.

Wallace: Do you mean the Vietnamese Armed Forces in Cambodia?

Deng: Yes.

Wallace: President Reagan and the First Lady have shown much interest in my program. They watch this program almost every Sunday. I am sure they will watch this interview when it is aired on TV. Do you have any message for President Reagan?

Deng: We met each other during President Reagan and and the First Lady's visit to China. We had a cordial and frank talk. I wish to relay my best wishes to President Reagan and the First Lady via your TV station. I hope that Sino-American relations can be further developed during President Reagan's term of office.

Wallace: Presently, are there major dissensions between China and the United States?

Deng: Yes. There are three obstacles in Sino-Soviet relations, and also there is one obstacle in Sino-American relations. That is the Taiwan question, or the question of China's reunification of the two sides of the Taiwan Strait.

There has been talk in the United States to the effect that the United States has taken an attitude of 'non-involvement' on the question of China's reunification, namely, the Taiwan question. This is not true. The fact is that the United States has all along been involved. In the 1950's, MacArthur and Dulles regarded Taiwan as an "unsinkable aircraft carrier" of the United States in Asia and the Pacific. Therefore, the Taiwan question was the most important issue in the negotiations on the establishment of Sino-American diplomatic relations.

Wallace: Did the United States fail to fulfill its commitments in its handling of U.S.-Taiwan relations?

Deng: I think the United States should take a wiser approach on this question.

Wallace: What approach?

Deng: Regrettably, during the latter period of the Carter administration, the U.S. Congress adopted the "Taiwan Relations Act," which has become an immense obstacle to Sino-American relations. As I said just now, I hope that President Reagan will, during his term in office, bring about further progress in Sino-American relations, including some effort in respect to China's reunification. I believe that the United States, President Reagan in particular, can accomplish something with regard to this question.

Wallace: What can they accomplish on this question?

Deng: They can encourage and persuade Taiwan first to have "three exchanges" with us; namely, exchange of mail, trade, and air and shipping services. Contacts of this kind can help enhance mutual understanding between the two sides of the Taiwan Strait, thus creating conditions for them to proceed to discuss the question of reunification and ways to achieve it.

Wallace: Returning to the Taiwan question, why is it necessary for Taiwan to be reunified with the mainland?

Deng: First of all, it is a national question, a question of national sentiments. All the decendants of the Yan and Huang emperors want to see China reunified. The present state of division runs counter to our national will. So long as Taiwan is not reunified with the mainland, Taiwan's status as part of Chinese territory will remain uncertain. No one knows when Taiwan will be taken away again. Furthermore, we have adopted the formula of "one country, two systems" for resolving the reunification issue. Socialism will continue to be practiced on the mainland while Taiwan will practice its capitalism. This will neither bring changes to Taiwan and the life-style of the people there nor cause them losses. We must take an objective view in making a comparison of the level of development in Taiwan and on the mainland. A gap does exist for the time being. Since the founding of New China 37 years ago, we have committed some mistakes which delayed development on the mainland. With the adoption of the current policies on the mainland,the speed of development will not be slow, and the gap is narrowing. I believe the mainland will not fall behind Taiwan in the speed of development in the years to come. The reason is very simple, for Taiwan has scarce resources while resources on the mainland are plentiful. If we say Taiwan has already brought into play its potential, the mainland's potential is yet untapped, but will surely be brought into play soon. The mainland is now much stronger than Taiwan in its overall strength. It is insufficient to measure the strength of the two sides solely by Taiwan's current higher average per-capita income.

USSR'S TALYZIN BEGINS OFFICIAL VISIT TO PRC

Leaves Moscow for Beijing

OW070718 Beijing XINHUA in English 0712 GMT 7 Sep 86

[Text] Moscow, September 7 (XINHUA) -- Soviet First Vice-Premier Nikolay Talyzin left here this morning for Beijing to pay an official visit to China, according to a well-informed source. Talyzin, also chairman of the State Planning Committee, is expected to discuss economic cooperation and trade issues with senior Chinese officials, the source said. But he did not say how long he will stay in China.

Talyzin's current China tour is a return visit to the one paid last year by Chinese Vice-Premier Yao Yilin to the Soviet Union. During his 8-day official visit in July 1985, Yao exchanged views with Soviet leaders on trade and economic relations between the two countries.

Arrives in Beijing

OW080329 Tokyo KYODO in English 0302 GMT 8 Sep 86

[Text] Beijing, Sept. 8 KYODO -- Nikolay V. Talyzin, Soviet first deputy premier and party Politburo member, arrived here Monday morning for talks with Chinese leaders -- the first high-ranking Sino-Soviet discussions after Soviet leader Mikhail Gorbachev called for improved relations in his Vladivostok speech on July 28. Talyzin, 57, also chairman of the State Planning Committee, was accompanied by Mikhail Busygin, minister of timber, cellulose and pulp and the wood processing industry, new Vice Foreign Minister Igor Rogachev and others.

Talyzin's group will reach accord with Chinese leaders on expansion of trade and economic relations, but will probably find it difficult to achieve big progress in the normalization of relations and other political issues, a Chinese source speculates.

The source referred to a recent remark by China's senior leader Deng Xiaoping that Gorbachev's speech in Vladivostok "evaded" the Kampuchean problem and therefore, his speech cannot be regarded as a major step toward improved Sino-Soviet relations. China has been saying that three conditions must be cleared for the normalization of Beijing-Moscow relations -- Soviet halt to the support of the Vietnamese military presence in Kampuchea and Soviet troops withdrawal from Afghanistan and from China's border with the Soviet Union and Mongolia.

Talyzin, however, is said to be carrying a message from Gorbachev and, if the message includes Moscow's plan to stop or scale down its support for the Vietnamese, political progress could be expected a little, the source said. In this context, an East bloc diplomatic source pointed to the visit by Soviet Vice Foreign Minister Rogachev to Vietnam in late August. Rogachev met and sought Hanoi's understanding of the Soviet plan to improve Sino-Soviet relations and thus, the possibility for Moscow's new proposal to China could not be ruled out, the source said.

Rogachev, who was appointed vice foreign minister in mid-August, is to be Moscow's new chief negotiator in the Sino-Soviet vice ministerial-level normalization talks. The next round of the talks is scheduled for October in Beijing. The Chinese side is also said to want to hear from Talyzin about the scale and details of the planned withdrawal of Soviet troops from the China-Mongolia border, which Gorbachev mentioned in his speech in Vladivostok.

Yao Yilin at Airport

OW080554 Beijing XINHUA in English 0537 GMT 8 Sep 86

[Text] Beijing, September 8 (XINHUA) -- Nikolay Vladimirovich Talyzin, first vice-chairman of the Council of Ministers and chairman of the State Planning Commission of the Soviet Union, arrived here this morning by a special plane to pay a week-long visit to China. Chinese Vice-Premier Yao Yilin met him at the airport.

[illegible] a written speech Talyzin said he hped that the forthcoming exchange of views with the Chinese leadership on a wide-range of subjects would contribute to the strengthening of Soviet-Chinese good-neighbourliness and would give new impetus to the development of mutually beneficial cooperation. He said, "During our visit we expect to get a closer look at the practical endeavours of the Chinese working people in achieving the goal of modernizing the country and the building of a socialist society worthy of its great people."

Makes Arrival Statement

OW080505 Tokyo KYODO in English 0455 GMT 8 Sep 86

[Text] Beijing, Sept. 8 KYODO -- Nikolay V. Talyzin, Soviet first deputy premier and party Politburo member, stressed the need for improved Sino-Soviet relations in his airport statement upon his arrival here Monday morning.

While referring to Soviet leader Mikhail Gorbachev's speech in Vladivostok on July 28, Talyzin said the Soviet and Chinese peoples are now entrusted with a very responsible mission to improve the bilateral ties.

Talyzin said his talks with Chinese leaders will promote Sino-Soviet friendly relations and mutual cooperation in every field between the two countries.

He is leading a delegation of some 20, including new Vice Foreign Minister Igor Rogachev who was promoted to the post in mid-August. The Soviets will stay in China for about a week, according to delegation sources. Talyzin and his party will meet with Premier Zhao Ziyang, Vice Premier Yao Yilin and other Chinese leaders. There is also a possibility for their meeting with party chief Hu Yaobang.

The Soviet guests were welcomed by Vice Premier Yao, Vice Foreign Minister Qian Qichen, and other Chinese leaders at the airport.

Qian and Rogachev will be chief negotiators in the next round of the Sino-Soviet normalization talks, scheduled for October in Beijing.

Talyzin's delegation will also visit enterprises in Shenyang and Guangzhou to study future technological cooperation between the two countries.

The Soviet delegation sources said that the current visit here would produce much progress at least in expanding bilateral trade and techno-scientific cooperation. The Soviet delegation is expecting much more, the sources said. This mention by the sources suggests the Soviet delegation also has a mission to talk with the Chinese on improved bilateral political relations.

DENG SPEAKS TO JAPANESE ON FOREIGN INVESTMENT

OW051122 Beijing XINHUA in English 1103 GMT 5 Sep 86

[Text] Beijing, September 5 (XINHUA) -- Deng Xiaoping, chairman of the Central Advisory Commission of the Chinese Communist Party, said here today he favors using foreign investment boldly, but he advises people to be good at using it.

Speaking to a group of Japanese investors today, Deng said China will open its door wider to the outside world and create a better and more rational environment for foreign investment. Meanwhile, foreign investors should respond and be more "enlightened" in transferring technology.

"We cannot ask foreign investors to come and then not let them make money. But high rent and other expenses are making profits difficult for them," Deng said, adding, "This issue must be addressed,"

Generally speaking, Deng said, China's policy of opening to the outside world and its open policy in reforming the domestic economy are successful. "But we have exposed some malpractices that can be anticipated," he added. This results mainly from a lack of knowledge among some of our cadres, Deng said. The lack of knowledge leads to low ability, which will subsequently be manifested in insufficient courage. "Unless these problems are solved, China's speed for development cannot be accelerated," Deng said.

"It's not like the Japanese economic 'take-off'. Japan knew how to use foreign investment to go its own way, and that's why Japan developed so quickly." Just as Japan needed help after World War Two, China needs help to grow and modernize, a said Deng, adding, "We want to learn from the good experiences of others,"

Deng said he believed that relations between China and Japan will move closer, while both countries maintain their independence and respect for the other. He also said he agreed with Vice-Premier Tian Jiyun, who spoke to the businessmen Tuesday, saying, "What China lacks, Japan has, while China has what Japan lacks."

Deng told Japanese investors not to worry that the development of other country will be unfavorable to their own. Mutual assistance will help each other's countries develop, and this will, in turn, contribute to peace and stability in the Asian and Pacific region, he said.

JAPAN'S FUJIO AGAIN 'WHITEWASHES' WAR CRIMES

OW061829 Beijing XINHUA in English 1812 GMT 6 Sep 86

[Text] Tokyo, September 6 (XINHUA) -- Japanese Education Minister Masayuki Fujio has tried again to defend the war of agression launched by the Japanese militariest and denied the crimes they had committed in the war.

Glossing over the holocaust perpetrated by the Japanese troops in Nanjing in 1937, Fujio claimed that it was an "unredressed incident", saying that the mass murder in Nanjing was intended to "break down enemy resistance". He even went so far as to say, "war means killing people. It is not slaughtering as far as international law is concerned."

He justified Japan's 1901 annexation of Korea, saying that "if Japan had committed agression, I believe, the Korean side was partly responsible."

He said that to visit the Yasukuni War Shrine is to "express sympathy and solicitude for those who had laid down their lives for the country" and it is the same as Chinese paying homage to the Confucius Temple and the Zhongshan Mausoleum."

Fujio made such remarks in an interview with the Japanese monthly "BUGEI SHUNJU" published in its October issue.

It is the fourth time that Fujio has whitewashed the war crimes of the Japanese militarists since he assumed office as education minister over a month ago.

He said in the Japan Press Club on August 12 that "the world history is a history of aggression and war. The erroneous view that only Japan committed aggression must be corrected."

On August 15, he said the verdict passed by the Tokyo International Military Tribunal on the A-class war criminal, Japan's wartime Prime Minister Hideki Tojo, "cannot be considered as correct."

Fujio's remarks have evoked strong reaction among the Japanese people. Many people in the political and press circles have condemned his statement, saying that he is not qualified to be the highest official of the Education Ministry, and asked the government to relieve him of his post.

According to KYODO NEWS AGENCY, Prime Minister Yasuhiro Nakasone was worried about Fujio's statement after he read it on September 1. He met Fujio on Thursday and, according to the agency, the prime minister wanted Fujio to step down voluntarily.

LI XIANNIAN RENEWS CALL FOR NUCLEAR-FREE KOREA

OW051550 Beijing XINHUA in English 1531 GMT 5 Sep 86

[Text] Beijing, September 6 (XINHUA) -- President Li Xiannian today reiterated China's support for a nuclear-free Korean peninsula and the independent and peaceful reunification of Korea.

In his message of greetings to "The Pyongyang International Conference for Denuclearisation and Peace on the Korean Peninsula" scheduled to open today, Li said that China opposes any move to heighten tension on the Korean peninsula.

"We support the proposal for making the Korean peninsula a nuclear-free and peace zone and any other proposals that help preserve peace and stability on the peninsula," Li said.

It is entirely justified that the Korean Government and people demand U.S. withdrawal of all its troops and nuclear weapons from South Korea and the establishment of a nuclear-free and peace Korean peninsula, Li said.

This, he said, reflects the aspirations and fundamental interests of the entire Korean people and is conducive to the realisation of the independent and peaceful reunification of Korea as well as to the safeguarding of peace in the Asian and Pacific region and elsewhere in the world.

The Chinese president said that the Chinese Government and people always support the sacred cause of the Korean people for independent and peaceful reunification of their motherland.

"We hope that the dialogue between the North and the South of Korea would continue and make progress, and the tripartite talks between the North and the South of Korea and the United States could materialize," he continued.

PRC LEADERS GREET DPRK ON NATIONAL ANNIVERSARY

OW072002 Beijing XINHUA in English 1902 GMT 7 Sep 86

[Text] Beijing September 8 (XINHUA) -- Chinese leaders, in a message to Korean leaders today, extended their congratulations on the 38th anniversary of the founding of the Democratic People's Republic of Korea.

The message was sent by general secretary of the Chinese Communist Party Hu Yaobang, President of the People's Republic of China Li Xiannian, Chairman of the Standing Committee of the National People's Congress Peng Zhen and Premier of the State Council Zhao Ziyang to General Secretary of the Central Committee of the Workers' Party of Korea and President of Democratic People's Republic of Korea Kim Il-song and Premier of the Administration Council Kang Song-san.

During the 38 years, the message says, the Korean people, under the leadership of the Worker's Party of Korea headed by Comrade Kim Il-song, have scored brilliant achievements in the lofty cause of defending national independence and security and building socialism by adhering to the correct principle of political and economic independence and national self-defense.

In foreign affairs, it says, the Democratic People's Republic of Korea has carried out a foreign policy of independence, peace and friendship with other countries and has strengthened its cooperation and exchange with all friendly nations. Thus, her position in the world has been rising day by day.

The message states: "The Chinese people heartily rejoice over the great achievements made by the brotherly Korean people and sincerely wish you still greater success in the noble cause of building your fatherland and safeguarding Asian and world peace.

"For years, the Worker's Party of Korea and the Government of the Democratic People's Republic of Korea have spared no efforts in alleviating the tense situation in the Korean peninsula and in bringing about the independent and peaceful unification of the country. You have put forward many reasonable proposals and won the sympathy and support of the world community. As your comrades-in-arms, the Chinese people firmly support your just stand and all reasonable proposals and we firmly believe that the Korean people's lofty cause of achieving independent and peaceful unification of the fatherland will win final victory."

PRC RELEASES VIETNAMESE; SRV RELEASES CHINESE

HK060948 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0923 GMT 6 Sep 86

[Report: "Chinese Release a Group of Vietnamese Captives"]

[Text] Nanning, 6 Sep (ZHONGGUO XINWEN SHE) — At 1100 today [0400 GMT], the CHinese Government released at the zero kilometer spot on the highway leading from Youyiguan in Guanxi to Dongdang, 25 Vietnamese armed personnel and 4 Vietnamese spies.

The 25 Vietnamese armed personnel, including (Vrong Chinh Phat) and others, were captured by Chinese frontier guards while carrying out armed provocation and sabotage activities inside China. The four spies sent by the Vietnamese side were arrested by the Chinese public security organ for carrying out reconnaissance activities and collecting information inside China. They all admitted that they were sent by the Vietnamese authorities, and that they were guilty of illegal activities of infringing upon China's territory and being hostile to China. They pled guilty.

The Chinese side also returned to the Vietnamese side five other Vietnamese who entered Chinese territory illegally.

In addition, the Vietnamese side returned to the Chinese side 27 Chinese personnel who were illegally arrested by the Vietnamese side.

SIHANOUK-LED DELEGATION ON 5-DAY OFFICIAL VISIT

Ambassador Previews Visit

BK060954 Beijing in Cambodian to Cambodia 1030 GMT 5 Sep 86

[Station correspondent's interview with Democratic Kampuchean Ambassador to China Chan Youran on the objectives of the CGDK delegation's visit to China 6-10 September and China-Cambodia friendship — recorded, date not given]

[Text] [Correspondent] My name is (Ang Deng). I am a correspondent from Beijing Radio. I have heard that at the invitation of the Chinese Government, a CGDK delegation led by Samdech Sihanouk, His Excellency Son Sann, and His Excellency Khieu Samphan will pay a visit to China from 6 to 10 September. Can you please tell us about this visit?

[Chan Youran] Thank you for interviewing me today before the CGDK delegation pays an official friendship visit to jBeijing. As you know, this delegation, which is composed of DK [Democratic Kampuchea] President Samdech Norodom Sihanouk as its head and Prime Minister Son Sann and DK Vice President in Charge of Foreign Affairs Khieu Samphan as its deputy heads, will once again pay an official friendship visit to Beijing from 6 to 10 September. This is the fourth time that the CGDK delegation has the great honor to pay a visit here since the formation of the CGDK in 1982. On this auspicious occasion, the three CGDK leaders will convey to the great, fraternal Chinese people, the glorious CPC, and the friendly Chinese Government the most profound feelings of love, respect, and best regards of the all Cambodian people, all the tripartite patriotic resistance forces, and our CGDK which are currently waging a valiant struggle to liberate our nation and defend our national independence and race against Vietnam's war of aggression and expansion.

At the same time, our CGDK delegation will also reiterate, on behalf of the people and the resistance armed forces of Cambodia, our deepest gratitude to the esteemed and beloved Chinese leaders, fraternal Chinese people, and the Chinese Government for the great benefactions made by the PRC in giving all kinds of sincere support and assistance to our struggle.

The Cambodian people, the current Cambodian Government, and those of the future generations will never forget the good service made for them by the PRC. This is because China's support and assistance emanate from its sole sincere stand of wanting our Cambodia to exist forever as an independent, peaceful, neutral, and nonaligned country and its desire to see the Cambodian people exist with honor and have equal rights, freedom, and a national civilization and traditions as all other people near and far throughout the world. Moreover, this support also aims at ensuring the restoration of peace and stability in Southeast Asia and elsewhere in the world since it opposes the Vietnamese acts of aggression and expansion supported by the Soviet expansionist power. For this reason, the entire Cambodian people, cadres, and combatants of the tripartite resistance forces, as well as hundreds of thousands of the Cambodian patriots living abroad and the fraternal Cambodian patriotic soldiers inside the country will certainly pay great attention to this visit. They are very happy to hear about great China's warmest and most cordial invitation for our CGDK leaders to visit every year as its comrades-in-arms and brothers of the same family. They are very impressed by the fact that great China has resolutely sided with the Cambodian people's struggle to defend their race and their country's right to exist as an independent, peaceful, neutral, and nonaligned country. They will certainly give the warmest welcome to the brilliant outcome of this visit, as well as the PRC's firm support for the settlement of the Cambodian problem in accordance with the CGDK's 8-point proposal and the UN resolutions.

As for the many other friendly countries in the world, including the ASEAN countries, they will certainly be satisfied with this visit because, as countries which cherish peace, justice, and independence, they have all along opposed the Vietnamese-Soviet maneuvers to destroy the Cambodia-China militant solidarity and friendship in order to realize their aggressive and expansionist goals in Cambodia, Asia, the Pacific, and elsewhere in the world. Through this visit, the brilliant, exemplary friendship and solidarity between Cambodia and China will certainly be strengthened and developed more splendidly.

Through this visit, the Cambodian people's struggle inside the country in the coming 9th dry season and in the international arena, particularly at this year's United Nations (General Assembly), will certainly advance to a more important stage despite all obstacles.

His Excellency Hu Yaobang, esteemed general secretary of the CPC, said so correctly that this visit is a good opportunity and a drum beat of victory to stimulate the Cambodian people's struggle toward seizing greater victories over the Vietnamese enemies in the new stage of our struggle. At a time when nearly 200,000 Vietnamese aggressors are being deeply bogged down in Cambodia and a time when many peace-and justice-loving countries in the world are pressuring Vietnam to stop its aggression against Cambodia and to respect the UN resolutions and the CGDK's 8-point peace proposal, the world has been well aware of the fact that Vietnam and the Soviet Union have resolutely rejected the CGDK's 8-point peace proposal for the political settlement of the Cambodian problem and that they are busily carrying out all kinds of dark schemes to undermine thet tripartite patriotic forces which are struggling against them. For this reason, this coming visit will certainly convince the Vietnamese aggressors and their Soviet masters that they will never be able to destroy the militant solidarity and friendship between Cambodia and China nor will they be able to annex Cambodia through their dark schemes.

In conclusion, I wish to inform you that as in previous visits, during this visit our leaders will take the opportunity to study the wise policies and strategies set forth by the CPC at its third congress' 11th session held at the end of 1978. Thanks to these correct political lines, the PRC under the clear-sighted leadership of the CPC is advancing with greater victories in its national construction, defense of world peace, reunification of the beloved Chinese fatherland. The world is following this situation -- a new revolutionary situation which is causing a great impact throughout the world.

Through this visit, the CGDK delegation will certainly express the great joy, satisfaction, and admiration of our Cambodian people, cadres, and combatants for the great achievements made by the Chinese people in this new stage in all fields, in agricultural and industrial production, national defense, as well as in modernizing science and technology.

The CGDK and the Cambodian people are confident that the heroic Chinese people under the wise leadership of the CPC and the PRC Government will certainly achieve the historic victory of turning the PRC into a powerful and presperous socialist country. Currently, this situation has brought happiness, prosperity, well-being, and better life to the Chinese people, thus turning the PRC into a powerful force for more vigorous defense of peace, justice, and independence in the worked. This situation and the situation in Cambodia and elswhere in the world will certainly cause more difficulties and more serious isolation to the Vietnamese aggressors, expansionists, and annexationists to the point that they will be compelled to withdraw all their troops from Cambodia in order to let the Cambodian people decide their own destiny.

[Correspondent] Just now your excellency has mentioned the significance of the CGDK's upcoming visit to China. We also believe that this visit will further strengthen and develop the traditional friendship between the Chinese and Cambodian people. Now I would like your excellency to speak about the significant feats made by the CGDK during the past several months following a CGDK delegations visit to China in December 1985.

[Chan Youran] I would like to take this opportunity to inform our Chinese frineds and, through them, our friends near and far about the situation on the battlefield during the past almost one year. As you know, from te 8th dry season to the current rainy season, we, our tripartite armed forces, have cooperated closely and splendidly on the battlefield. All of us are very happy over this situation. This is because, on the one hand, our people want the tripartite armed forces to cooperate more closely and fight the Vietnamese enemies more vigorously and, on the other hand, our friends near and far in the world also want this. Therefore, the work which is playing a leading role in the current situation on the battlefield is the fact that our tripartite patriotic forces have cooperated closely and splendidly as I told you.

Another point I would like to mention is that our Armed Forces have implemented and are continuing to implement our 5-attack tactics and the strategy of coordinating our three forces on the battlefield, that is the force of our National Army, the force of the fraternal Cambodian solders who are termporarily serving the Heng Samrin clique, and the force of our people. These 5-attack tactics and strategy of coordinating the three forces constitute an effective, powerful, and wonderful weapon to inflict more serious defeats on the Vietnamese enemies. For example, from the 8th dry season to the current rainy season, we can clearly that the Vietnamese plans to seal off our transportation routes from the border to the interior of the country and to seal off the western border from us have all failed. Their plan to sweep or patriotic resistance forces off the areas aound the Tonle Sap Lake and around Phnom Penh has also failed.

On the contrary, our tripartite patriotic resistance forces have constantly strangled the Vietnamese enemies in the Tonle Sap Lake areas, kept attacking them around the lake area, and launched attacks against the Vietnamese enemies in various big towns around the lake, such as Battambang, Siem Reap, Kompong Thom, Kompong Chhnang, and Pursat. At the same time, our national forces attacked them from the east and south of Phnom Penh, at Pochentong Airport on many occasions, and in Kompong Speu and Takeo Towns.

As I told you earlier, our Armed Forces have been able to launch these vigorous activities because the people support them and the fraternal patriotic Cambodian soldiers have cooperated with our forces and even launched activities against the Vietnamese enemies themselves. In such a situation, the Vietnamese enemies have sent more troops to Cambodia in an attempt to redress their situation in Cambodia, but to no avail. No matter how hard they have tried, the Vietnamese enemies have not been able to redress their defeating situation. This is because our people have risen up and waged more vigorous struggle against them and the fraternal Cambodian soldiers have mutinied and fought against them. Moreover, our tripartite patriotic forces have cooperated more closely and splendidly every passing year. Therefore, we are confident that in the coming 9th dry season, Vietnam will certainly face more complicated difficulties on the Cambodian battlefield. This situation will certainly encourage our friends near and far in the world who support our people's struggle, particularly at the United Nations. This year, we believe that more countries will voice their support for our struggle at the United Nations and the UN resolutions demanding the total withdrawal of Vietnamese troops from Cambodia in order to let the Cambodian people decide their own destiny. The overwhelming majority of countries at the United Nations will certainly voice their support for our CGDK's 8-point peace proposal. At the same time, as I mentioned earlier, our delegation's visit to Beijing will make the situation on the battlefield as well as the United Nations become more favorable to us.

Delegation Arrives in Beijing

OW061210 Beijing XINHUA in English 1103 GMT 6 Sep 86

[Text] Beijing, September 6 (XINHUA) -- A delegation from Democratic Kampuchea arrived here tonight for a five-day official and goodwill visit to China at the invitation of the Chinese Government.

Samdech Norodom Sihanouk, president of Democratic Kampuchea, is the chairman of the delegation, and Prime Minister Son Sann of the Coalition Government of Democratic Kampuchea and Vice-President Khieu Samphan of Democratic Kampuchea in charge of foreign affairs are its vice-chairmen. Madame Sihanouk arrived here by the same plane.

They were greeted at the airport by Wang Meng, chairman of the reception committee and minister of culture, leading members of departments concerned, and diplomatic envoys of some countries in China. Son Sann who arrived here September 4 was also present at the airport.

Four young pioneers presented bouquets to Samdech Norodom Sihanouk and Madame Sihanouk, Son Sann and Khieu Samphan.

Tomorrow morning Chinese Premier Zhao Ziyang will preside over a ceremony welcoming the delegation and also hold talks with it.

Zhao Ziyang Meets Delegation

OW071044 Beijing XINHUA in English 0959 GMT 7 Sep 86

[Text] Beijing, September 7 (XINHUA) -- Premier Zhao Ziyang said here today that Democratic Kampuchea has scored great victories over the past year in its military and political struggles as well as in its diplomatic work. Zhao made this remark at a meeting with a delegation from Democratic Kampuchea headed by its President Samdech Norodom Sihanouk.

During the meeting, President Sihanouk reiterated the determination of the three patriotic forces to wage a continuous struggle for restoring the independence, peace, neutrality and territorial integrity of their fatherland.

On behalf of the Chinese Government, people and leaders, Zhao extended a warm welcome to the delegation, adding that the delegation's visit to China once again shows to the world the unity among the patriotic forces of Democratic Kampuchea and the militant friendship between the poeple of China and Kampuchea.

He wished them still greater successes in their future struggle.

Sihanouk said the visit will greatly inspire the Kampuchean Army and people in their just struggle against Vietnamese aggression and exert great influence in the world. It will also help expand the support from the international community and the UN General Assembly to the Kampuchean Coalition Government, he added.

He held that China and Kampuchea share the common ideal of working for justice, peace, progress and the development of mankind.

On the situation in Kampuchea, Sihanouk expressed satisfaction with the greater unity and cooperation among the three patriotic forces. "This year's military situation has made us more optimistic about our nation's future," he noted.

To resolve the Kampuchea question, the U.N. resolution and the coalition government's eight-point proposal on political solution to the Kampuchea question must be strictly implemented, Sihanouk stressed. "We won't make any additions or deletions to the proposal, no matter if Vietnam accepts it or not. If Vietnam rejects it, we'll continue to fight until final victory," Sihanouk said.

He thanked the Chinese Government and people for their persistent support to the patriotic forces.

Prime Minister Son Sann of the Coalition Government of Democratic Kampuchea and Vice-President Khieu Samphan of Democratic Kampuchea in charge of foreign affairs, both deputy heads of the delegation, shared Sihanouk's views. They also gave an account of the present military situation in Kampuchea and the work done by the coalition government in the diplomatic field.

Premier Zhao reiterated China's firm support to the just struggle of the three patriotic forces. "We will go to your aid as long as your struggle continues," he added.

Zhao also held that the eight-point proposal for the political solution of Kampuchean question serves as a basis both for resolving the Kampuchean question and for national unity of the Kampuchean nation in the future.

"We now support the just struggle of the three patriotic forces led by Samdech Sihanouk and also hope to see an independent, peaceful, neutral and non-aligned Kampuchea led by him in the future," he noted.

Prior to the talks, Zhao held a grand welcoming ceremony in the East Plaza of the Great Hall of the People for the delegation.

Ngapoi Ngawang Jigme, vice-chairman of the National People's Congress Standing Committee, Wu Xueqian, state councillor and foreign minister, and Wang Meng, head of the reception committee and minister of culture, attended the ceremony.

Zhao Ziyang Fetes Delegation

OW071758 Beijing XINHUA Domestic Service in Chinese 1319 GMT 7 Sep 86

[Text] Beijing, 7 Sep (XINHUA) -- Premier Zhao Ziyang said here today that "China supports the establishment of a quadripartite government of national concord and unity headed by Samdech Sihanouk following the total withdrawal of Vietnamese troops."

Zhao Ziyang made this statement at a banquet he gave at the Great Hall of the People tonight in honor of the Cambodian delegation led by Samdech Norodom Sihanouk, president of Democratic Kampuchea, with Prime Minister Son Sann of the Coalition Government of Democratic Kampuchea [CGDK] and Vice President Khieu Samphan of Democratic Kampuchea in charge of foreign affairs as deputy heads.

Princess Monique Sihanouk, the wife of Samdech Sihanouk, was present at the banquet.

Zhao Ziyang said in his speech that China sincerely hopes to see an independent, peaceful, neutral, and nonaligned Cambodia, and that China opposes any party in Cambodia holding power alone. China also opposes the exclusion from power of any party in the coalition government.

Zhao Ziyang warmly congratulated the CGDK for the new victories and gratifying successes it has achieved in the military, political, and diplomatic fields over the past year. He also congratulated Samdech Sihanouk on this recent successful visits to four ASEAN countries.

Zhao Ziyang said that the eight-point proposal put forward by the CGDK in March for a political solution of the Cambodian issue is a practical and feasible plan for settling the issue fairly and rationally. This important decision made by the CGDK on the basis of summing up the Cambodian people's experiences in struggle tallies with the situation in Cambodian and totally correct, he said.

Zhao Ziyang said: The heroic Cambodian people's just war to save the nation from Vietnamese aggression has gone on for nearly eight years. The assertion that "the situation in Cambodia is irreversible" is nothing but a self-delusion. What is really irreversible is the Cambodian people's determination to fight against Vietnamese agression and save their country, and the historical development that the aggressor will certainly be defeated by the Cambodian people. The stubborn objective of the Vietnamese authorities to the eight-point proposal can only show that Vietnam still has no sincerity at all in a political settlement of the Cambodian issue.

Zhao Ziyang told the Cambodian guests: "Although your struggle will continue to be difficult, you will not be fighting alone, because you have support from the vast number of people and the international community."

In reply, Samdech Sihanouk stressed that as long as Vietnam still occupies Cambodia by military means, the three patriotic forces of Democratic Kampuchea have no other choice but to continue their sacred struggle.

Sihanouk said that the eight-point proposal of Democratic Kampuchea for the political solution of the Cambodian issue has won increasing world support and it is considered to be a fair, rational, and comprehensive proposal with the real intention of solving the problem.

He said: "Such are the concessions we have made. We advise the Socialist Republic of Vietnam not to take our sincere desire for peace as a sign of weakness." "We are determined to further strengthen cooperation and mutual support among the three forces of the CGDK, make every effort to promote national unity at home and abroad, and continue to fight until the Socialist Repbulic of Vietnam agrees to settle the Cambodian issue politically on the basis of the eight-point peace proposal."

Referring to the Cambodian patriotic forces' struggle against Vietnam, Sihanouk said: "Not only the Cambodian people support the tripartite forces of the CGDK; the Khmer soldiers, self-defense guards, and administrative officals who were forced to serve the Vietnamese aggressors have also become more active in joining the tripartite forces to fight them. Most encouragingly, the patriotic forces of the tripartitite CGDK have become more cooperative in supporting each other in the Battambang, Pursat, Oddar Meanchey, Siem Reap, Kompong Thom, and Kompong Cham battlefields. This is a very important factor contributing to the continuous development of our national liberation struggle."

Among those present at the banquet were Ngapoi Ngawang-Jigme, vice chairman of the NPC Standing Committee; Wu Xueqian, state councillor and minister of foreign affairs; Qian Changzhao, vice chairman of the CPPCC National Committee; Zhao Puchu, president of the China Buddhist Association; Wang Meng, minister of culture; and Ai Zhisheng, minister of radio, cinema, and television.

This afternoon, the Cambodian guests visited the Beijing Municipal Corps of the Chinese People's Armed Police Forces.

Li Xiannian Meets Sihanouk

OW081014 Beijing XINHUA in English 0930 GMT 8 Sep 86

[Text] Bejing, September 8 (XINHUA) -- President Li Xiannian today said China will never seek a sphere of influence in Kampuchea and its sphere of influence is in the 30 provinces, municipalities and autonomous regions within its boundary.

Li made this remark at a meeting with a delegation from Democratic Kampuchea led by Samdech Norodom Sihanouk, chairman of Democratic Kampuchea.

On hand were deputy heads of the delegation Prime Minister Son Sann of the Coalition Government of Democratic Kampuchea and Vice-Chairman Kieu Sampanh of Democratic Kampuchea in charge of foreign affairs.

Li told the guests: "We support you to build an independent, peaceful, neutral and non-aligned Kampuchea after your victory we'll never interfere in your affairs."

Sihanouk said the whole world has countless facts to prove that China has never meddled in the internal affairs of other countries. "We are happy to have such a close and longstanding comrade-in-arms as China," he added. He also thanked China for its consistent, selfless and unconditional support to the three patriotic forces of Democratic Kampuchea.

Li warmly congratulated the three patriotic forces on the great victory they scored in the eighth dry-season offensive to combat the Vietnamese aggressors in the political field and diplomatic work.

Sihanouk said "We have achieved victories this year in all fields in the struggle against Vietnamese aggression, and this struggle will develop in an optimistic direction."

President Li Xiannian pointed out that the eight-point proposal for the political solution of the Kampuchea issue set forth by the three patriotic forces provides a practical and feasible basis for resolving the Kampuchean question, and that it has won wide support from the Kampuchean people as well as from the international community.

Sihanouk said all patriots in Kampuchea will always unite and never split, adding that even after national liberation they will unite to rebuild their fatherland. State Councillor and Foreign Minister Wu Xueqian and Minister of Culture Wang Meng attended the meeting.

Li 'In Good Health'

HK080342 Hong Kong AFP in English 0832 GMT 8 Sep 86

[Text] Beijing, Sept 8 (AFP) -- Chinese President Li Xiannian made his first public appearance in five months Monday when he met here with Prince Norodom Sihanouk, leader of the Cambodian Resistance Coalition.

Mr Li, 81, officially said to have been resting after being hospitalized with a cold in May, told the press that he was "in good health, now." The president last appeared in public on May 9, when he told a foreign visitor that "people like us are almost useless," a reference to the advanced age of the first generation of Chinese revolutionary leaders still in office.

Prince Sihanouk began a one-week official visit here Saturday, saying he hoped it would lead to new financial and military aid for his tripartite resistance opposed to the Vietnamese-installed Phnom Penh government.

Asian diplomats here said Beijing was expected to increase its aid to the coalition, with a bigger slice to its two non-communist factions -- the Sihanoukists and Khmer People's National Liberation Front. China usually gives the bulk of its aid to the Khmer Rouge, which fields the biggest armed force of the resistance fighting the pro-Hanoi Heng Samrin regime and an estimated 140,000 Vietnamese troops in Cambodia, they said.

Prince Sihanouk was expected to meet Chinese Communist Party Secretary-General Hu Yaobang Tuesday and China's top leader Deng Xiaoping Wednesday.

WAN LI BEGINS TRIP TO AUSTRALIA, NEW ZEALAND

OW050154 Beijing XINHUA in English 0147 GMT 5 Sep 86

[Text] Beijing, September 5 (XINHUA) -- Chinese Vice-Premier Wan Li left here this morning for a goodwill visit to Australia and New Zealand at the invitation of Australian Prime Minister Bob Hawke and New Zealand Prime Minister David Lange. He was seen off at the airport by Chinese State Councillor and Foreign Minister Wu Xueqian and Deputy Secretary-General of the State Council Bai Meiqing. Diplomatic envoys of Australia and New Zealand to China were also present. Principal members of Wan Li's entourage include Special Assistant to the Premier Chen Chu, Vice-Foreign Minister Zhu Qizhen, Deputy Director of the Rural Development Research Center Under the State Council Wu Xiang and Assistant Minister of Foreign Economic Relations and Trade Zhu Youlan.

Arrives in Australia

OW051832 Beijing XINHUA in English 1436 GMT 5 Sep 86

[Text] Canberra, September 5 (XINHUA) -- Chinese Vice-Premier Wan Li arrived here tonight for a week-long official goodwill visit to Australia at the invitation of Prime Minsiter Robert Hawke. Wan was greeted at the airport by Hawke. Also arriving on the same plane were the premier's special assistant Chen Chu, Deputy Foreign Minister Zhu Qizhen and other members of his entourage.

Chinese Ambassador Nie Gongcheng was present at the airport. Australian Ambassador to China Dr Ross Garnaut was also present. Diplomats of the Chinese Embassy, representatives of students and Overseas Chinese as well as Australians of Chinese descent were on hand to meet the Chinese guests.

Meets With Governor General

OW061204 Beijing XINHUA in English 1024 GMT 6 Sep 86

[Text] Canberra, September 6 (XINHUA) -- Australian Governor-General Sir Ninian Stephen received Chinese Vice-Premier Wan Li here today at the Government House.

At the invitation of Prime Minister Bob Hawke, Wan Li arrived here yesterday for a one-week official goodwill visit to promote the mutual understanding and cooperation between the two countries, and strengtehn the friendship between the two peoples.

The Governor-General who paid his private visit to China not long ago, said that he gained overwhelming impressions of the warmth and industry of the Chinese people althought it was a short visit.

Wan Li said that the friendship between China and Australia is of great significance. He said humorously that today's meeting is a "South-North dialogue". "As yesterday, I took the airplane flying from the North interruptedly to the South. [sentence as received] it's rather meaningful," the Chinese vice-premier said.

Among the principal members of Wan's entourage present on the occasion were premier's special assistant Chen Chu and Vice-Foreign Minister Zhu Qizhen.

Plays Tennis With Hawke

OW070840 Beijing XINHUA in English 0751 GMT 7 Sep 86

[Text] Canberra, September 7 (XINHUA) -- Chinese Vice-Premier Wan Li palyed a tennis match with Australian Prime-Minister Robert Hawke at the prime-minister's residence here today. 70-year-old Wan Li and his partner Li Furong, a former famous Chinese table tennis player, played a men's double match with Prime-Minister Robert Hawke and noted Australian tennis player Frank Sedgman in a friendship atmosphere.

In the one-hour contest, the hosts won from the Chinese pair 6-3 and 7-5. This was the third match between Prime-Minister Hawke and Vice-Premier Wan Li. The first two matches were played in China when the prime-minister paid an official goodwill visit to China. The fine performance of both sides drew applause from the audience.

Among the spectators watching the match were all members of the entourage of the Chinese vice-premier and Nie Gongcheng, Chinese Ambassador to Australia, and John Brown, Australian minister for sports, recreation and tourism, and his wife.

Holds Talks with Hawke

OW071427 Beijing XINHUA in English 1406 GMT 7 Sep 86

[Text] Canberra, September 7 (XINHUA) -- Australia and China have decided to form a Sino-Australian joint ministerial economic commission. A joint announcement to the effect was issued this afternoon after the talks between Australian Prime Minister Robert Hawke and visiting Chinese Vice-Premier Wan Li at the prime minister's residence here.

During the talks, they exchanged opinions on the current international affairs and the further development of cooperative relations between China and Australia. The talks proceeded in an atmosphere of cordial friendship.

The joint announcement by Hawke and Wan Li on behalf of the two governments said, the commission "will mainly discuss and coordinate matters concerning the trade and economic cooperation and related scientific, technical and educational exchanges between the two countries in so far as these relate to economic and technical cooperation." It added, the commission "will study and carry forward issues that arise from our economic relationship and explore new ways of developing trade and economic cooperation." The joint commission will meet once a year alternatively in the capital of each country.

On the Chinese side, participating in the talks were also premier's special assistant Chen Chu, Vice Foreign Minister Zhu Qizhen, Deputy Director of the State Council's Rural Development Research Centre Wu Xiang, Assistant Minister of Foreign Economic Relations and Trade Zhu Youlan, and Ambassador to Australia Ne Gongcheng.

On Australian side were also Resources and Energy Minister Gareth Evans, Trade Minister John Dawkins, Primary Industry Minister John Kerin, and Ambassador to China Ross Garnaut. A private conversation was held between Hawke and Wan Li before their talks. Tonight, the Australian Prime Minister gave a dinner at his residence in honour of the Chinese vice-premier for his visit to Australia.

NPC STANDING COMMITTEE SESSION ENDS 5 SEP

OW070809 Beijing XINHUA Domestic Service in Chinese 1100 GMT 5 Sep 86

[Text] The 17th session of the 6th NPC Standing Committee closed at the Great Hall of the People this afternoon. Before closing, Standing Committee members voted on the several draft laws that had been examined at the session. Peng Zhen, chairman of the Standing Committee, attended and addressed the meeting.

The meeting adopted the "Regulations of the People's Republic of China Governing Offenses Against Public Order," which consists of 45 articles and 5 chapters and will come into effect on 1 January 1987. According to the regulations, which were adopted today, the "Regulations of the People's Republic of China Governing Offenses Against Public Order" promulgated on 22 October 1957 will be abolished at the same time. The meeting also adopted the "Regulations of the People's Republic of China on Diplomatic Privileges and Immunities." The 29 articles of these regulations will become effective upon promulgation.

Since the Standing Committee members still have major disagreements over the draft "Tentative Bankruptcy Law Governing State-owned Enterprises," the NPC Standing Committee chairman and vice chairmen proposed that, for caution's sake, no decision be made in this regard, and that the law be further studied and revised by the NPC Law Committee with other revelant departments after the session. The meeting also adopted the "Decision of the National People's Congress Standing Committee on the Timetable for Electing Deputies to County and Township People's Congresses." It also adopted a decision on ratifying the "Consular Treaty Between the People's Republic of China and the Hungarian People's Republic" and the "Consular Treaty Between the People's Republic of China and the German Democratic Republic." The meeting also approved some appointments and dismissals.

The meeting was chaired by Vice Chairman Chen Pixian. Other vice chairmen attending the meeting were Geng Biao, Xu Deheng, Peng Chong, Zhu Xuefan, Ngapoi Ngawang Jigme, Seypidin Aze, Zhou Gucheng, Yan Jici, Rong Yiren, Liao Hansheng, and Huang Hua. Attending the meeting as observcers were Wang Bingqian, state councillor; Zheng Tianxian, president of the Supreme People's Court; and Yang Yichen, procurator general of the Supreme People's Procuratorate.

PENG ZHEN ADDRESSES NPC CLOSING SESSION

OW061407 Beijing XINHUA Domestic Service in Chinese 1106 GMT 5 Sep 86

[Text] Beijing, 5 Sep (XINHUA) -- Speaking at the closing meeting of the 17th Session of the 6th NPC Standing Committee, Chairman Peng Zhen pointed out: All legislation should be in accordanae with the Constituion; laws must not contradict each other.

Chairman Peng Zhen said: This meeting has been successfully held; the discussions were serious and enthusiastic. Everyone spoke his mind and objectively, comprehensively, and realistically expressed his own opinions on the draft laws and other grave issues of the nation. That everyone has spoken out is a gesture of their being responsible to the country, that they stand for the common interests of all the nationalities of the nation, and that they will better fulfill the socialist cause. Before we can urge administrative and judicial organs to conscientiously enforce laws, the NPC Standing Committee should be serious when making them.

Chairman Peng Zhen said: All legislation should be in accordance with the Constitution; laws must not contradict each other. In order to achieve this, we must be familiar with the Constitution and the laws. Comrades of the NPC Standing Committee and the provincial, autonomous regional, and municipal people's congress standing committees should therefore study and understand the Constitution and laws well.

SECURITY MINISTER ON PUBLIC ORDER REGULATIONS

OW071201 Beijing Domestic Service in Mandarin 1100 GMT 5 Sep 86

[Radio talk by Ruan Chonggwu, minister of Public Security, on the adoption of the Regulations Governing Offenses Against Public Order of the People's Republic of China -- date not given, recorded]

[Text] The Regulations Governing Offenses Against Public Order of the People's Republic of China are drawn up after being amended and supplemented on the basis of the regulations promulgated in 1957. The regulations serve as an important law of our country to strengthen the administrative control of public security, as well as a code of conduct to be observed by all citizens. Their promulgation and enforcement will play a very important role in maintaining social order and public security, protecting citizens' legitimate rights and interests, preventing and reducing crimes, promoting socialist spiritual construction, and creating a good social environment for reform and the four modernizations.

Twenty-nine years have passed since 1957. The political, economic, and social situation in our country has changed a great deal. Since the 3rd Plenary Session of the 11th CPC Central Committee, in particular, many new situations and problems concerning public security have arisen along with developments in opening to the outside world and enlivening the domestic economy. As a result, the original regulations could no longer keep pace with the needs of maintaining public security and had to be amended and supplemented. In this sense, amending the law is a concrete step that must be taken to improve the socialist legal system. This is the first point I wish to make.

Secondly, the responsibility of public security organs is to protect the interests of our country, various collective units, and our people. Serving the people has always been our objective. We have been doing so in the past, and we will continue to do so in an even better way in the future. The newly amended regulations will help public security organs enforce the law in protecting the legitimate rights and interests of the people.

Imposing penalties on offenses not punishable by criminal law -- such as offenses that disturb social order, affect public security, infringe on citizens' personal rights, and embezzle public or private property -- is likewise for the purpose of safeguarding people's rights and interests. Not long ago some vendors in Beijing cheated customers by selling them soda water at high prices, and just a little complaint prompted a dressing down. The masses have strongly demanded that public security organs punish such lawlessness. After we handled the ringleaders according to law, the people were satisfied.

The public security organs purpose in punishing public offenders is to educate them so that they will correct their mistakes and not harm the people again. Therefore, the newly promulgated regulations are completely in compliance with the aspirations of the people.

Thirdly, public security is a social issue which cannot be handled by public security organs alone. We sincerely hope that we can have the support and assistance of all social quarters, especially the active assistance and cooperation of the people. Since the 1950's the Chinese people have maintained the good tradition of assisting public security organs in maintaining public order. Now we should carry forward this tradition and make it a strong social force. Meanwhile, we welcome the people to supervise our work. The new regulations stipulate in detail how public security organs will punish offenders. In the future, should a public security organ impose a wrong penalty, it must correct the mistake and compensate for any losses. As far as we are concerned, this is a restraint that will make us operate according to law and bear in mind our responsibility of protecting our people, safeguarding public security, and serving the four modernizations.

CPCCC SECRETARIAT CALLS FOR STUDY OF DENG SPEECH

OW060139 Beijing XINHUA Domestic Service in Chinese 1323 GMT 4 Sep 86

[Text] Beijing, 4 Sep (XINHUA) -- After reviewing and discussing Deng Xiaoping's article, "Reform of the Party and State Leadership" recently, the CPC Central Committee Secretariat considered it a planning document for China's political restructuring. Therefore, it has called on cadres above the section level of central state organs and cadres of organs under the direct administration of the CPC Central Committee to integrate ideology with reality and to earnestly review and discuss this important article.

The speech, entitled "Reform of the Party and State Leadership" delivered by Comrade Deng Xiaoping in August 1980, at the enlarged meeting of the Political Bureau of the CPC Central Committee, was discussed and approved by the CPCCC Political Bureau. Today the party committees of the central state organs and of organs under the direct administration of the CPC Central Committee issued a circular on studying Deng Xiaoping's important article, "Reform of the Party and State Leadership" to all central state organs and those under the CPC Central Committee respectively. The circular calls on cadres above the section level to improve such matters as work style and, stresses socialist modernization and reform of the economic system and political structure, to integrate ideology with practice, and to conscientiously study and review the article in order to profoundly comprehend its essential spirit and to further advance the reform.

PLA APPOINTS NEW PRESIDENT OF LOGISTICS ACADEMY

HK080554 Hong Kong WEN WEI PO in Chinese 8 Sep 86 p 1

[Report: "PLA Logistics Academy Appoints Li Lun as President"]

[Text] According to a JIEFANGJUN BAO report on 7 September, Deng Xiaoping, chairman of the Central Military Commission, appointed Li Lun as president of the newly founded PLA Logistics Academy on 6 September.

Hong Xuezhi, deputy secretary general of the Central Military Commission, instructed Li Lun to run the academy as a teaching center and a scientific research center for the logistics command duties of the Chinese Army. The academy should train qualified personnel and conduct scientific research; at the same time, it should also act as a consultant institution for the Army's modern logistics construction.

MORE COLLEGES TO PROVIDE MILITARY TRAINING

OW051908 Beijing XINHUA in English 1455 GMT 5 Sep 86

[Text] Beijing, September 5 (XINHUA) -- China will increase the number of colleges and universities where students receive military training, according to a joint circular issued by the State Education Commission and leading Army departments. The circular says that the universities involved will be extended to 69 from last year's 52 and longer training periods will be required starting from this autumn's semester. The decision has been made in line with recent directives by party, state and Army leaders, according to the circular.

The total length of college military training is between 10 to 13 weeks during the first or second academic year of study. More than half of the training period will be devoted to the study of modern military sciences and the practice of actual military techniques and tactics. The rest will be devoted to political education in Mao Zedong's military thought and the history and discipline of the People's Liberation Army. The students will receive the training either in army units like regular soldiers or on their campus with instructors sent by army units.

Military training of college students began in 52 universities and colleges last year under the Military Service Law, which says students must receive basic military training during their school education. Such training proved to be successful, the circular says. It has enhanced the students' ideological and political awareness, heightened their sense of discipline, built up physical strength and widened their general knowledge, it says.

SHANGHAI FORUM STRESSES TRAINING OF CLERGY

HK060444 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1225 GMT 5 Sep 86

[Report: "China Plans To Strengthen Training of Clergy" ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 5 Sep (ZHONGGUO TONGXUN SHE) -- In order to cultivate qualified clergy, responsible people of China's seven Catholic seminaries held a forum in Shanghai yesterday urging the strengthening of guidance over clergy and various teaching work. Bishop Tu Shihua, president of China's theology college, presided over the forum, at which responsible people of seven Catholic seminaries in Beijing, Shenyang, Wuhan, Xian, Shandong, and Shanghai discussed issues such as clergy training, the work of teaching, compilation of teaching materials, and the training of teachers. Since 1982, China has opened seven Catholic seminaries and three small seminaries. It now has more than 580 brothers and cleric students.

MINISTER ASSURES SAFETY OF DAYA BAY PLANT

OW051442 Beijing XINHUA in English 1411 GMT 5 Sep 86

[Text] Beijing, September 5 (XINHUA) -- China's top nuclear official said today the "government has not changed, and will not change, its decision to build a nuclear plant at Daya Bay." The government will "fully guarantee" the safety of the controversial project near China's Hong Kong border, Jiang Xinxiong, the country's minister for nuclear power, told a news conference.

He said decisions about the project were based on "cautious scientific surveys" and not the opinions of any individual. And he said the government had been "extremely cautious" in selecting the plant's site.

According to Jiang, "the underlying principle" governing all work on the plant has been "taking into account the safety and health of its workers and of those living nearby and in Hong Kong." He said the "misgivings of the public -- mostly about the safety of the plant -- are understandable." His response to statements and letters from Hong Kong opponents of the project has been to make sure that all government departments involved in the project "concentrate on safety first," he said. The location of the plant was chosen in September 1983 after "four years of careful study" of geological, hydrological and other environmental conditions, according to Jiang.

The surveys showed that the 50 square kilometers surrounding the site hae "stable geological conditions," he said, ading that for more than 1,000 years there hae been no earthquakes exceeding magnitude 7 on the richter scale. Magnitude 7 earthquakes are major ones, capable of heavy, widespread damage. And he said the plant has been designed to withstand earthquakes of magnitude 8 -- which have at least ten times more ground motion than magnitude 7 quakes. Chinese scientists measures the Tangshan earthquake of 1976 at 7.8 on the Richter Scale. The plant itself will use pressurized water reactors, "acknowledged worldwide as the safest and most advanced," said Jiang.

After the Chernobyl disaster in the Soviet Union, the Chinese Government reinforced safety precautions in its plans for Daya Bay and for the plant being built at Qinshan in Zhejiang Province, he said. Jiang said although China has never operated a nuclear power plant, the country has accumulated experience in building "about a dozen" reactors on nuclear-powered submarines and at research and production facilities. To ensure safety, he said, China will continue to support international cooperation and inspection of nuclear power stations.

EXPERTS ON SELECTING NUCLEAR POWER PLANT SITE

HK060922 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1227 GMT 5 Sep 86

[Report by Lin Jun: "Mainland China's Nuclear Experts Discuss Reasons for Building Nuclear Power Plant at Daya Bay" -- ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 5 Sep (ZHONGGUO TONGXUN SHE) -- On the current issue of site selection of the Daya Bay Nuclear Power Plant, I interviewed the relevant experts. I understand that the work of site selection of Guangdong's nuclear power plant was jointly undertaken by the Guangdong Provincial Power Company and the China Light and Power Company of Hong Kong. In 1979, the two companies jointly formed a team for selecting a construction site. The team conducted two large-scale and mutli-level inspections and surveys (in 1979 and 1982) at a dozen spots in the Wuhua-Shenzhen areas, Daya Bay, Honghai Bay, Jieshi Bay, and so on. In 1983, Malingjiao (Dakeng) in Daya Bay was eventually chosen as the construction site of the power plant.

An expert said: During the two inspections and surveys, the chief criterion for selecting the site was nuclear safety, while consideration was also given to economic results and social benefits.

In the course of selecting the site, the focal point of assessment was on environmental factors that affect the nuclear power plant's safety operation, as well as the influence of the nuclear power plant's operation on the environment. As early as the site selection work was begun, it was proposed that "the public should be safeguarded from being affected by a radioactive incident." Therefore, the mainland sent over a dozen experts to help investigate and discuss the issue of selecting the construction site.

When the work of selecting the construction site was started, the mainland still did not have any formal regulations on the safety operation of nuclear power plants. At that time, it took the feral regulations, as well as the relevant safety codes on nuclear power plants, of the United States as the standards of selecting the site. At present, China has promulgated four regulations on safety operation, as well as a series of safety codes, including those promulgated and soon to be promulgated. These regulations and codes are based on the nuclear safety standards set by the International Atomic Energy Agency. Therefore, to ensure that it meets the new safety demands and the choice of construction site is correct, we further examined the construction site.

In the work of selecting Daya Bay as the site of the nuclear power plant, the experts proposed relevant design standards in the light of effects brought by external factors and natural incidents such as earthquakes, geology, flooding, high temperatures, high sea level, storm surges, typhoons, tornados, tsunami, and so on. Seismologists held: Malingjiao area is located on a land mass lying between two faults. Its distance to the nearest active fault is 20 kilometers. Also, within a radius of 50 kilometers of the area, there is no possibility that a deep rift that cuts the earth's crust exists. From ancient times to the present, there has not been any earthquake at or above grade six. There is no dynamic fault within a radius of 8 kilometers. The historical record shows no microseisms occured in the area. The batholith is intact and the thickness of earth's crust is more than 27 kilometers. The sea bank slope is stable. All these conditions are better than other sites and favorable for selecting the site as the construction site.

The work of selecting Daya Bay as the site of the nuclear power plant also took external human factors into consideration, such as plane crashes, the releasing and explosion of chemical materials, materials discharged from turbines, and so on. Malingjia is virgin land yet to be developed. There are no large-scale industrial facilities or oil pipes nearby. Neither is there any military facilities, nor is it near an air route. Therefore, judging from the external and human factors, it is quite safe to build the nuclear power plant at Daya Bay.

In the course of selecting the construction site, an observatory next to the site was used to record recent years' data. In addition, the experts built a 102-meter-high tower for meteorological survey in 1984. The standards of survey were set in connection with the corresponding regulations of the United States. According to the preliminary estimates, the radioactive dosage on humans, no matter whether through air dispersion, water dispersion, or underground water dispersion, as well as the plant's environmental influences, will be well below the international standards.

Population distribution and emergency plans for dealing with nuclear power plant incidents are another chief factor for selecting the construction site. According to the international standards, the surroundings of nuclear power plants are divided into three regions: The non-inhabited region within a radius of 1.2 kilometers from the plant; the sparsely inhabited region within a radius of 5 kilometers from the plant; and the population center, which should be 20 kilometers from the plant.

The population center of Hong Kong is 50 kilometers from the plant. With reference to the reactor core melting incidents of pressurized water reactor nuclear power plants, the people of Hong Kong will, in the most serious case, receive a maximum amount of radioactive exposure of three microvolts [wei hao wo te 1792 3032 3087 3676]. Approximately, this amount is less than that of an exposure to x-ray. Therefore, the radioactive prevention experts said: Daya Bay Nuclear Power Plant's possible risk of having nuclear incidents should be within the range which is acceptable to inhabitants living nearby. Only when the amount of effective dosage reaches 50 microvolts for a person, should we take the necessary emergency measures of providing shelters for the people or evacuating them. But this kind of situation will not happen.

MINISTRY ADOPTS CENTRALIZED PENSION SCHEME

HK030855 Beijing CHINA DAILY (BUSINESS WEEKLY SUPPLEMENT) in English 3 Sep 86 p 1

[By staff reporter Dai Beihua]

[Text] The first serious reform of China's pension system is underway to tackle the problem of an ever-growing number of retired people in the country.

The Ministry of Water Resources and Electric Power announced it will adopt a centralized pension system that will apply to workers in both its project construction bureau and production factories.

Under the plan, a central pension fund will be built up by money contributed from every unit under the ministry. The contributions will be based on a percentage of profits, regardless of the number of pensioners in the unit.

Zhu Dengquan, an official of the ministry, told BUSINESS WEEKLY that production factories make higher profits but have fewer pensioners than the project construction bureau. In effect, units attached to production factories will contribute a disproportionate share to the pension fund.

"However, contributions by the units will be only 30 percent of the fund," Zhu said. "The other 70 percent comes from the State."

According to ministry figures, 10 percent -- or about 120,000 staff members of the ministry -- were pensioners. About 8 percent, or some 140 million yuan of total payroll, was paid out in pension in 1985.

It is estimated that the number of retired workers in the ministry will increase at an average rate of 16,000 a year during the Seventh Five-year Plan (1986-90).

In the past, their pensions were paid by their individual work units from profits.

Like most other engineering units in the country, the ministry's Project Construction Bureau, especially those engated in building hydropower projects, have faced severe competition in recent years. [paragraph continues]

Open bidding has allowed foreign and non-ministry construction companies to win contracts on hydro projects.

"This has left some of the ministry's own construction units with no work to do, forcing them to rely on the State's paying 70 percent of salaries," Zhu said. "Most of the construction bureau were established much earlier than production factories, so they have more retirees than the factories."

The No 12 Construction Bureau of the ministry, set up in 1948, employs 12,000, about 4,000 of their retirees receiving pensions paid by the bureau. Pensions account for 20 percent of the bureau's payroll at a time when construction work is slack.

"In this case, a central pension scheme is necessary," Zhu said. "The past method of letting each unit pay its own pensions will get us nowhere."

According to Gu Guoqian, an official with the ministry, the new centralized pension scheme is the first of its kind in the country .

"This is a first step," Gu said. "The second is a central pension scheme for all State-owned companies. The third might be a nationwide plan for all work units."

Nationwide, retirees in State-owned units numbered 12.92 million in 1983, 11.2 percent of the total workforce. By 1985, the figure had risen to 16.37 million, 13.2 percent of the total, according to figures in the State Planning Commission.

By 1990, China expects to have 19.8 million retirees, 14 percent of the total workforce. Pensions will eat up 11.1 percent of total payroll.

And by the year 2000 there will be 31 million pensioners, 17 percent of the workforce. Their retirement allowances will cost 32 billion yuan a year, 12 percent of payroll.

The estimates have shaken the State into action to begin unifying pension expenses with wages as a whole.

Year	Retires (in millions)	Percent of Workforce	Pension as Percent of Payroll
1983	12.92	11.2	9.3
1984	14.78	12.4	9.4
1985	16.37	13.2	10.5
1990	19.8	14	11.1
2000	31	17	12

Source: The State Statistical Bureau and the State Planning Commission.

GUANGMING RIBAO VIEWS INTRODUCING FOREIGN CULTURE

HK051033 Beijing GUANGMING RIBAO in Chinese 20 Aug 86 p 3

[Article by Li Qiang: "Some Thoughts on Absorbing Foreign Culture"]

[Excerpts] The culture of a country, nation, or group of people develops in two channels. One is of its own creation, such as inventions and discoveries; and the other is by absorbing foreign culture. These two are closely related to each other. History indicates that inventions or discoveries generally take place under the influence or encouragement of foreign culture. Thus it can be seen that foreign culture plays an important role in promoting other countries' culture.

Naturally, it is necessary to make a distinction between different types of foreign culture. So far as the cultures of different nations are concerned, this writer is of the opinion that they can be divided into comparable and noncomparable cultures.

Comparable cultures include good and bad cultures as well as high-quality and low-quality cultures. These two types of cultures can be referred to as superior and inferior cultures. U.S. culture is an example. Its advanced science and technology, well-developed education, superior services, good concept of value, practicality, appreciation of creativity, enterprising spirit, and unwillingness to stick to old conventions are all excellent cultural achievements which constitute the superior aspects of its culture. But drug addiction, gambling, prostitution, homosexuality, a high crime rate, and decadent ideas are the dregs of its culture, constituting the inferior aspects of its culture. As there is a marked distinction between superior and inferior culture, people take different attitudes toward them. They absorb and develop the superior aspects of culture and discard the inferior aspects of culture. We should adhere to this in reforms and in opening up to the world.

Noncomparable culture can be referred to as neutral culture which cannot be divided into superior and inferior parts or into higher and lower quality. This type of culture is closely related to human actions and habits. [passage omitted]

As neutral culture is closely related to people's daily lives, it is an indispensable part of the culture of any nation. It plays an important role in society. Generally speaking, neutral culture is an important symbol indicating the differences among nations. It can help maintain the unity and stability of society and increase the cohesive force of society. Large-scale changes in neutral culture, that is, great changes in the way people behave, will generally cause unrest in society. Therefore, we should do our best to prevent such changes. As neutral culture can play an important role, adopting a correct attitude toward it is an important issue in reforms and in opening up to the outside world. This writer is of the opinion that as neutral culture cannot be divided into superior and inferior parts, what is to be reformed and introduced from abroad is absolutely not neutral culture. Instead, we should maintain the stability of Chinese traditional neutral culture in the course of introducing fine culture from abroad. This is good for the unity and stability of society as well as for reforms and opening up to the outside world. On the other hand, as neutral culture is closely related to human habits and actions and cannot be divided into higher and lower quality, we should not interfere in its changes and development, but allow it to develop naturally instead. In other words, we should not give wide publicity to the introduction of neutral culture from abroad, nor should we lay obstacles to its development.

Dividing culture into comparable and noncomparable cultures will help overcome cultural centralism and cultural relativism in treating foreign culture. Believers in cultural centralism hold that their culture, habits, and actions are the best and most excellent and that foreign culture, habits, and actions which are not familiar to them are all bad. This viewpoint denies the existence of neutral culture and negates all types of foreign culture. Moreover, it denies that the culture of a nation has superior and inferior parts. This blind opposition to everything foreign is absolutely wrong. Cultural relativism is another extreme. It maintains that no division into higher and lower quality or into superior and inferior parts should be made among different cultures. It holds that all cultures are good and reasonable because they exist according to the specific conditions of the nation concerned. This viewpoint regards all cultures as neutral and denies the existence of comparable culture. It agrees with all types of foreign culture and has cast aside the most rudimentary distinction between right and wrong. Therefore, this viewpoint is wrong.

[Passage omitted] When we accept foreign culture, it is no longer a pure foreign culture. Nor can we say that it is our traditional culture. It is a new culture. A fine new culture is a culture with the best vitality. The absorption of foreign culture in the course of reform and opening up to the world is aimed at creating new culture -- a new socialist culture with Chinese characteristics.

GUANGMING RIBAO EXAMINES IDEAS REVOLUTION

HK030456 Beijing GUANGMING RIBAO in Chinese 24 Aug 86 p 3

[Article by Xue Muduo and Wang Chengde: "Change the Ideas That Do Not Correspond With the Requirements of Reform"]

[Excerpts] The process of reform in China has posed a sharp question of a change in ideas for us. We are now in a crucially important period when the new system is replacing the old one. With the coexistence of the two systems and their mutual reaction with each other, temporary "disconnections," loopholes, and contradictions between various interests are expected to occur. In this complex situation, the question of a change in ideas is of particular importance. Without eliminating the influence of old ideas, we are liable to use old methods in everything we do, to refuse to accept the new system, and to take the road back. Overall reform of the economic structure has just started, many arduous tasks should be completed, more important steps should be taken, and reform of the political and cultural fields should be carried out in coordination with the overall reform of the economic structure. This requires us to make full preparations in the ideological and psychological fields. Therefore, speeding up the change in ideas has become an important and urgent task in our overall reforms.

The basic task in economic structural reform is to carry out the transition from the natural and product economies to the socialist commodity economy. In compliance with this transition, it is necessary to form the socialist commodity economy mentality, and to change the small production mentality which has cropped up under the natural economy, the "product economy" mentality which has emerged under the old economic structure, and all "leftist" ideas which have come into being under the slogan of "taking class struggle as the key link." [passage omitted]

To develop the productive forces, it is necessary to adopt various ownership forms in the course of implementing the public ownership system [paragraph continues]

This is a Marxist principle drawn up by the party on the basis of summing up its experience over the past decades, and it is also an important task in economic structural reform. However, the idea of "being large in size and having a higher degree of public ownership" is still hampering ownership system reform. There are two erroneous views. One is maintaining that the "public" nature and purity of collective ownership are inadequate as measured by the idea of "being large in size and having a higher degree of public ownership," instead of judging whether the existence and development of various ownership forms are beneficial to the growth of the social productive forces. This erroneous view regards the individual economy, which is a supplementary factor to the socialist economy, as deviating from the socialist road; and maintaining that the rural output-related contract responsibiltiy system, which has helped develop the rural productive forces and open broad avenues for the specialization, coordination, socialization, and modernization of the rural economy, is retrogression. The other is casting doubts on the correctness of introducing foreign capital and technology and of developing state capitalism. Influenced by this view, some people do not understand that this is a major policy which has strategic bearings on the development of socialist economic strength and socialist modernization. They find it difficult to accept the idea of introducing foreign capital, and some even have resentment against the idea. These views are obstacles to the smooth implementation of the policy of opening up to the world. [passage omitted]

To form a socialist economic structure which is full of vitality, economic structural reform during the Seventh 5-Year Plan is aimed at increasing enterprises' vitality, perfecting the market system, and forming a new macroeconomic indirect control mechanism. To achieve this end, it is necessary to solve a number of problems concerning ideas. [passage omitted]

It is important and urgent, as well as arduous, to bring about a change in ideas. Old ideas which do not correspond with the requirements of reform have deep social and historical roots. The natural economy mentality has a history of several thousand years. The product economy mentality and various "leftist" ideas have influenced people for several decades. These old ideas have penetrated various fields in society, settled deep in people's minds, and formed an obstinate way of thinking. Some comrades cannot adapt themsevles to new ideas and new things in reforms, and others even have resentment against them. This does not necessarily mean that they lack knowledge. In most cases, this is the result of the traditional way of thinking and indicates the obstinacy of traditional ideas. In addition, economic structural reform cannot but involve the readjustment of interest distribution and a change in power arrangements. This readjustment, which is beneficial to the interests of the entire people, may affect some individuals, who will make temporary sacrifices. If we do not take a correct attitude toward such sacrifices, we will find it even more difficult to change our old ideas. The force of habit of millions of people is terrible. We should not in the least overlook the arduousness of changing old ideas. Changing old ideas is by no means less difficult than reforming the economic structure. Therefore, only by making great and persistent efforts, can we make a success of this revolution in ideas.

RENMIN RIBAO EXAMINES ROLE OF TRADITIONAL CULTURE

HK280845 Beijing RENMIN RIBAO in Chinese 25 Aug 86 p 5

[Article by Wang He: "Proceed From Reality in Studying the Role of Traditional Culture"]

[Text] People have aired diversified views on the basic characteristics, central spirit, and main connotations of China's traditional culture, as well as how to deal with its role and value today with the rise of "the culture craze." [paragraph continues]

Opinions differ in its evaluation, and there is a difference in understanding. Regarding the conditions of the study as a whole, we can see that the study has grown more profound with each passing day, despite the fact that in the discussions on many major issues, debates "using the same language," starting from the same angle, and on ther same tier are still needed.

However, if we look more closely, we will find it is not difficult to see that an obvious important shortcoming exists in today's study and discussions on traditional culture, namely that all explorations and discussions related to cultural spirit, characteristics, psychological structure, ways of thinking, concepts of ethics and national character, are out of sync with the specific expression of the remnants of traditional culture in our actual society. Although studies of a series of specific topics have been developed, themes in these studies with close connections to realities are rare. For example, take the so-called "oriental group ideology," which many scholars have repeatedly discussed as a typical characteristic of China's culture. In what respect is it expressed in today's society? What is its specific essence? How should we evaluate these expressions? As another example, some scholars suggest: The essential spirit of China's culture lies in its attaching great attention to human relations. Put more simply it means "each paying attention to the other party". The essential spirit of China's culture puts human relations above all else and not in material things as in the West. Then, is such spirit an ideal or does it actually exist? Does it still exist in modern China? How much of it is left? What changes has it undergone? What are the causes of these changes? For still another example, taking the concept of "filial piety" as one of the important characteristics in China's culture in the eyes of some scholars, how much of it is maintained in our society today? Moreover, what essences of so-called "filial piety" should be maintained? What should be opposed today? What is its developmental trend? What are the imprints of traditional culture stamped on the national character mentality, and ways of thinking for modern Chinese? What is their relationship to modernization? What should be inherited? What must be relegated? In my opinion, these are so far unfilled blanks in the studies of such realistic topics. Some scholars have aired their views on the above-mentioned realistic issues in their articles. However, most of them are fragmented abstract explorations and general disussions. Systmatic, all-round concrete analyses and specific studies are rated. Some articles have touched upon the manifestation of some traditional concepts in today's society, such as the abuse of power, the hierarchal concept, egalitarianism, and attaching importance to agriculture rather than commerce, but they have failed to make all-round analyses of them. Some scholars have pointed out: Confucianism as the chief form of expression of China's traditional culture has become the ideology and standard of behavior for the Chinese people over the past more than two thousand years, and evolved as a kind of gene, becoming a part of the national mentality. Some scholars even say, we have only to go among the people, and look at how they conduct themselves in dealing with people and handling affairs, their ways and habits, and their attitudes towards their families, the aged, their children, friends and relatives, their properties, their customs, and their New year pictures or antithetical couplets, and we will feel the existence of the traditional culture. However, what are the specific essences of the evolved gene? In the people's daily behavior in dealing with others and handling affairs, what really are our "national quintessences" inherited from tradition? What is the essence of Confucianism? What is its dross? No specific explanations have been made.

This has made the current discussion on the specific quality and value of China's culture kind of vague and insubstantial, lacking a solid foundation. Many articles are not convincing despite their abundant philosophical theories and incisive discussions. Pondering them, people would find them questionable. Some articles are written in a jerky way, which is very difficult to grasp. It seems that the authors have purposely turned simple things into mysteries, pursuing subtlety rather than common expression. If this should develop, the study of culture would become a word game of idle talk. [paragraph continues]

In my opinion, cultural studies must link with realities and concrete social problems. This is because the chief purpose of studying the specific quality and value of traditional culture is to find out what leftovers are in today's social practice? And how to understand and deal with such leftovers? Failure to understand the existance of tradition in realities will make all affirmation, negation, inheritance or relegation of tradition so much random shooting, and become impractical, empty talk.

That cultural studies must be linked with realities is also due to the fact that the idealist flavor in the classics of China's traditional culture was always vert strong. Just as it is pointed out by some scholars: One of the important characteristics of China's traditional culture is "typical idealism." Such a conclusion is rather wise. From the ideal society in which men took up farming while women weaved and both the young and the old were well taken care of as revealed to us by the people in ancient history; to the ideal kings, who were "saintly in their morals, practicing benevolent government" and ideal officials "whose honesty was clear as water" as portrayed by our forefathers of the middle ages; to the paragon of personality, the supreme mental state in which "reason is pursued while all personal desire is repressed" provided us by our ancient philosophers, have all demonstrated such a spirit of idealism. And the full development of such idealistic spirit had its roots precisely in the poverty of such ideal things in reality. It was precisely because of the rarity of wise emperors that accounts for the emergence of idealized kings who were "saintly in their morals, practising benevolent government"; it was precisely because of the rarity of honest officials that accounts for the emergence of idealized officials who "shunned corruption" and upheld righteousness and justice; and it was precisely the deep-rooted selfish small peasant mentality that accounts for the emergence of an idealized personality model, a mental state that "represses all personal desires" through purification of the self. This explains that ideals and realities were two diametric opposites in China's traiditonal culture.

It is precisely because of the acute contradictions between ideals and realities in China's traditional culture, as well as the strong flavor of ethical preaching and idealism in China's ancient books, that if we study and attempt to seek truth in China's culture from those ancient books alone, and refrain from studying and looking for the truthful remnants of traditional culture in actual society, then the effects of idealism will be inevitable, leading to erroneous judgments and conclusions. For example: Those advocating that the basic spirit of China's traditional culture is "each attaching importance to the other party" are committing the mistake of making ideals equal to the realities. From another angle: In studying traditional culture, we should by no means be divorced from the realities. True, it is important to study ancient cultural books, but the more important thing is the need to study living people stamped with the truthful imprint of traditional culture.

At a large academic conference not long ago, the author listened to speeches made by several philosophers and their impromptu defense, and I greatly admired these philosophers for their speculative talent, their wide knowledge, eloquence and quick-wittedness. However, when I read articles on the special quality of culture by some philosophers of late, I find the discussions in those articles rather empty, and their language too difficult and subtle to grasp. Some articles refrain from concrete matters, while going in for philosophical analysis, which gives us an impression that they lack grounds, relying solely on personal understanding and showing no consideration for the readers. This may lead to an infinitely continuous debate in the abstract. [paragraph continues]

One says China's culture in the main is static, and the other says it is active; one says the specific quality of China's culture is "personality idealism," and the other says its is "pragmatic reason"; one says the spirit of China's culture is "humanitarianism," and the other says it is "humanism"; and such debate will be repeated on and on without end. The author is worried lest this should become a hindrance to the further development of cultural studies.

OFFICIAL DISCUSSES DIRECTOR RESPONSIBILITY

HK060532 Hong Kong MING PAO in Chinese 5 Sep 86 p 7

["Special Dispatch" from beijing: "Yuan Baohua on the Plant Director Responsibility System"]

[Text] Yuan Boahua, vice minister of the State Economic Commission, stressed the need to improve the plant director responsibility system in order to suit the needs of the economic structural reform.

At a national forum on building civilized enterprises held in Qingdao some time ago, Yuan Baohua particularly discussed the director responsibility system. The main contents of his speech were as follows:

1. In instituting the director responsibility system, it is necessary to make clear the status and responsibilities of the director of an enterprise, to give prominence to his role in the enterprise, and to ensure his decision-making power on major issues of production and operations.

As a representative of the enterprise legal person, a director should first hold himself responsible to the state and also to the enterprise and the workers and staff members regarding economic benefit and other issues. In line with the principle of combining responsibility with authority, it is necessary to give a director corresponding authority and to ensure his decision-making power to direct production and operations and his power to appoint and dismiss administrative cadres. Only in this way will it be possible to genuinely establish a unified, powerful, and highly efficient system of production, operations, and management. This is the key to achieving successes in the try-out of the director responsibility system over the past 2 years.

2. It is necessary to adopt a correct approach toward, and to ensure, the director's power to use people. The lists of candidates for deputy administrative cadres at the plant level and for intermediate-level administrative cadres should be worked out by the director who, in line with the limits of authority on the management of cadres, reports to a higher body for examination and approval the list of candidates for deputy administrative cadres at the plant level and who decides the appointments or dismissals of intermediate-level administrative cadres. This is the main content of, and the organizational guarantee for, the implementation of the director responsibility system. It is not in contradiction with the principle of the party administrating cadres. In using people, a director should uphold the party policy toward cadres and the principles of stressing both ability and political integrity and of appointing people on merit. In working out the lists of candidates, a director should solicit the view of the enterprise party committee and, at the same time, heed opinions from various quarters in order to avoid using people inappropriately.

3. There is a division of responsibility and work between a director and the secretary of a party committee. This is a relationship of cooperation and joint efforts and not one between the leader and the led. The party committee should vigorously support the director in exercising his authority. The competence of the secretary of the party committee is also very important and therefore, it is absolutely necessary to provide the party committee with a competent secretary.

4. It is necessary to further straighten out the relationship between enterprise administration, party organization, and trade union around production and operation so that each can attend to and fulfill its own duties.

PRC HOLDS SIZABLE INVESTMENTS IN HONG KONG

HK050255 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0617 GMT 2 Sep 86

["Roundup" by reporter Sheng Meilan: "The Investment Made by the Four Chinese Financial Groups in Warehouses and Wharves in Hong Kong Exceeds 2 Billion Hong Kong Dollars"]

[Text] Hong Kong, 2 Sep (ZHONGGUO XINWEN SHE) -- In order to coordinate the development of trade between China and Hong Kong, four Chinese financial groups in Hong Kong have been building warehouses and wharves in succession in recent years. So far, their investment in warehouses and wharves has exceeded 2 billion Hong Kong dollars.

Partaking in developing warehouses and wharves in Hong Kong are mostly China-owned enterprise groups, like the China Resources (Holdings) Company, China Merchant Steam Navigation (Holdings) Company, China Travel Service Group, and Guangdong Enterprises (Holdings) Company, with their subordinate enterprises undertaking the storage and transshipment of goods which are shipped to Hong Kong from the interior or to some other places via Hong Kong. There have already been over a dozen solely-owned or jointly-owned warehouses and two wharves which are now being put into use. Besides, several new warehouses and wharves are also being built in Sai Wan and Chai Wan on Hong Kong Island, in Hung Hom and Kwun Tong in Kowloon and Shatin and Tsing Yi Island in the New Territories, and so on.

Being adjacent to wharves or railroads and enjoying both the land and water transportation facilities, these warehouses are suitable for storing and transshipping the goods from the interior. Of these, the biggest is the "Guangdong Warehouse Center" owned by the Guangdong Enterprises (Holdings) Company. It is divided into two cold and dry parts, has 12 floors and a total space of 84,000 square meters and represents an investment of nearly 800 million Hong Kong dollars.

The advantage of the China-owned financial groups getting involved in warehouses is that the sources of goods are mainly those import or export goods of their own. For example, the China Resources (Holdings) Company, the largest trade institution of China in Hong Kong, owns nearly 10 dry and cold warehouses. Ng Fund Hong Company Ltd., Teck Soon Hong Company Ltd., and the Chinese Arts and Crafts Company Ltd. all have their own warehouses. The three Pak Sik godowns which are owned by the China Resources (Holdings) Company and open to the public have a total floor space of over 117,000 square meters. These warehouses were fully used in the first half of this year, with the storage rate being 84 percent and the turnover rate being 22 percent. To meet the increase in the sea and land freight, last year China Resources (Holdings) Company started building another 8-storey dry warehouse with a total floor space of over 56,000 square meters.

China Travel Service is the main operator of the railroad transportation between China and Hong Kong. Being all in Hung Hom and near both the Kowloon railroad station and the Hung Hom wharf, all of its three warehouses are convenient for sea and land freight or the transshipment and storage of goods from the interior to other places. Last year, the import and export goods handled by the China Travel Service through railroads totalled 2.6 million carriage/tons. The No 3 warehouse of China Travel Service was put into operation in early July of this year and has further strengthened the warehouse business of the China Travel Service Group.

By making use of its own advantages, the China Merchant Steam Navigation (Holdings) Company has set up a coordinated operation of barge carries, wharves and warehouses and achieved good results. For example, the turnover rate of the No 1 warehouse of China Merchant Steam Navigation (Holdings) Company in Sai Wan has reached as much as 40 percent and can handle an average of 7,600 tons of goods per month. At present, the present, warehouse in Sai Wan cannot meet the need. The construction work of the No 2 warehouse is being stepped up and will be completed next year.

As for the wharf business, China Resources (Holdings) Company is building a container and sundry goods wharf in Cheung Sha Wan which can accomodate three 6,000-ton or 7,000-ton whips at a time. Including the warehouses and other facilities, the investment has amounted to 300 million Hong Kong dollars. It is half expected that the wharf will be totally put into use in the first of next year. In June of this year, China Merchant Steam Navigation (Holdings) Company raised 170 million Hong Kong dollars to purchase the Eurasia Shipbuilding Factory and expand its wharf business. It will use the advantageous coastal wharf line in the area as well as the deepwater in front of the wharf to build a multi-purpose wharf so as to load and unload the transfer goods and relieve the current pressure on the wharf of China Merchant Steam Navigation (Holdings) Company in Kennedy Town.

The responsible persons of these Chinese financial groups all say that as the transfer goods in Hong Kong constantly increase, the development of the wharf and warehouse business has been promoted.

RURAL ENTERPRISE EXPORT FAIR ENDS IN BEIJING

OW071025 Beijing XINHUA Domestic Service in Chinese 1457 GMT 5 Sep 86

[By reporter Zhang Jianjun]

[Text] Beijing, 5 Sep (XINHUA) -- A 10-day export commodity trade fair of China's rural enterprise ended this afternoon at the National Agricultural Exhibition Hall. During the fair, more than 200 deals were negotiated, and the volume of business under contracts and preliminary agreemetns signed with parties at home and abroad reached more than 200 million yuan. All this once again proves that rural enterprises have become a mainstay of China's rural economy and a very promising force in China's efforts to earn foreign exchange through exports.

Visiting the exhibition hall to see the export goods on display were leading cadres and officials concerned, including Xi Zhongxun, Wu Xueqian, Yao Yilin, Chen Muhua, Chen Pixian, Bo Yibo, Song Renqiong, Wang Ping, Duan Junyi, Huang Zhen, Wang Heshou, Bao Erhan, Fei Xiaotong, Ma Wenrui, Lei Jieqiong, and responsible officials from provinces, cities, and autonomous regions who happened to be in Beijing at the time. On their visits to the fair, the leading cadres spoke highly of the rural enterprirses and voiced their suggestions and hopes concerning quality, packing, and variety of commodities as well as concerning economic results.

The trade fair aroused great interest among foreign guests in Beijing. Embassy personnel from 54 countries, foreign business representatives, and officials of international organizations in Beijing visited the exhibition. Some foreign companies held substantial business talks with representatives from different localities through China's foreign trade corporations and signed with them a number of contracts and preliminary agreements.

RENMIN RIBAO ON ESTABLISHMENT OF MONEY MARKET

HK290845 Beijing RENMIN RIBAO in Chinese 22 Aug 86 p 5

[Article by Liu Hongru "Systematically Open Up and Build the Capital Market" -- capitalized passages published in italics]

[Text] In his report on the Seventh 5-year Plan, Premier Zhao pointed out: While steadily expanding the markets for consumer goods and for means of production, we should adopt systematic measures to open up capital markets. It is a bold attempt to set up capital markets in a socialist country, and requires explorations in both theory and practice.

The Development of Socialist Commodity Economy Requires Capital Markets

The theoretical basis for setting up capital markets is: In order to develop a planned commodity economy, it is necessary to establish and perfect the socialist market system. While the markets for consumer goods, means of production, and technology and the rational mobility of manpower have gradually taken shape and developed, it is necessary to relevantly open up and establish capital markets.

THE DEVELOPMENT OF LATERAL ECONOMIC TIES REQUIRES CAPITAL MARKETS. In recent years, various forms of lateral economic ties have emerged on the basis of extending the decision-making power of enterprises. The development of lateral economy first encountered obstruction from the vertical distribution of credit funds and management by regions and departments that erected barriers between each other. The current system of vertical distribution of funds of various specialized banks was established in light of the principle of "money following the materials" under the system of vertical distribution of materials in the past. Under this system, the horizontal flow of funds encountered obstruction from the specialized banks as well as the regions. When there is a shortage of funds, the specialized banks and various regions adopt measures to restrict the "outflow of funds," thus making it difficult for the horizontal flow of commodities, technology, and manpower. The horizontal flow of funds can be realized only with the aid of capital markets. Capital markets have the following characteristics: Transactions are carried out directly between those who supply and those who need funds and there is a variety of flexible means, channels, and methods for raising funds which can serve the needs of various parties in the steady development of lateral economic ties. Meanwhile, we can combine the funds raised directly by enterprises and individuals with the funds raised indirectly by the financial units which serve as an intermediary so that different types of fund-raising networks and financial centers are established at various levels.

THE EXTENSIVENESS AND EFFECTIVENESS OF THE MUSTERING OF FUNDS REQUIRE CAPITAL MARKETS. According to China's current circumstances, funds are raised through one main channel -- namely, bank credit, which includes savings and loans. With the increase in enterprises' financial resources and individuals' income, the money holders may have different ways of making financial investment. Therefore, we must use various forms to raise funds. [paragraph continues]

Specifically, we should uphold the principle of relying mainly on the financial activities carried out indirectly by the financial units while making the financial activities carried out directly by enterprises and individuals subsidiary. We should also establish bank, commercial, state, consumer, and other forms of investment with the focus on bank credit because there is little risk and it very convenient to make investment by means of bank savings. However, some investors are willing to make investment with better returns at either great or reasonable risks. In this case, bank savings cannot satisfy their demands. Therefore, we should have more fund-raising forms, such as treasury bonds, enterprise bonds and stocks, bank bonds and huge sum transferable certificates, and insurance policies. Under the unitary form of bank credit, there the following consequences are possible when the desired results of the investors are not reached: First the increasing consumption or blindly expanding the projects of enterprises that yield poor social results; and second, increasing bank savings which can be turned into consumption at any time and which cannot be switched to investment that yields better social results. With the establishment of capital markets, we can provide the money holders with information concerning economic results, technological level, and managment experience of certain departments or enterprises and give them guidance in making investment in light of the differences in the profit rates of financial assets. Meanwhile, we can also provide those who need money with the means to raise funds through various forms of financial assets. In the capital market, the fluctuating interest rates and strict conditions for those who supply and those who need funds will impel the funds user to exercise operation and managment carefully and strive for better results. Therefore a developed capital market can avoid the defect of sluggish circulation of funds under the unitary form of bank credit. It can also switch the funds to the departments, regions, enterprises, and products that yield better social results.

THE CENTRAL BANK'S ELASTICITY IN EXERCISING MACROCONTROL AND ENHANCING REGULATION REQUIRES A CAPITAL MARKET. In order to maintain a balance of social general supply and demand and to stabilize prices, the central bank should sometimes tighten the money market and decrease the supply of currency and the capacity of commercial banks in granting loans, and sometimes ease the money market and increase the supply of currency and the capacity of commerical banks in granting loans. In order to do this work well, we should make an option from the following: First, under the unitary form of bank credit, there is only one channel for the central bank to regulate the supply of currency; that is, to increase the loans granted to commercial banks while easing the money market and decrease the loans granted to commercial banks while tightening the money market. Correspondingly, the feedback mechanism of the commercial banks in regard to the tightening or easing measures adopted by the central bank is simplified and passive, and the only way to regulate the use of funds is to readjust the granting of loans. Prior to the granting of loans, the commerical banks have the intitiative in readjusting the loans, but after the granting of loans, whether the scope of loans granted should be limited depends fully on the economic activities of the clients. Consequently, when deposits are withdrawn and loans cannot be recalled as a result of the tightening policy adopted by the central bank, the commerical banks will be in a predicament when they have no other ways to raise funds. These consequences may either lead to a failure in implementing the central bank's policy on tightening the supply of currency or to a violent shock in economic life due to the rigid readjustments. Second, under the condition of a developed capital market, there is a 2-way channel for the central bank to regulate the supply of currency; that is, while the money market is eased, apart from increasing the loans granted to the commercial banks, securities can be purchased from the market so as to put currency into circulation; and while the money market is tightened, apart from decreasing the loans granted to the commercial banks, the securities can be sold in the market so as to withdraw currency from circulation. Correspondingly, the feedback mechanism of the commercial banks in regard to the tightening or easing measures adopted by the central bank is also elastic. [paragraph continues]

So long as the commercial banks have a certain amount of securities, they can flexibly regulate the money supply by selling their securities in the market when they have difficulties in payments or when the loans granted by the central bank have decreased. As a result, we can avoid a crisis in credit caused by the difficulties in bank payments and also impel the commercial banks to limit the scope of their funds, thus meeting the requirements of the central banks policy on tightening the supply of currency. China's conditions are fundamentally different from those of Western countries. However, the experience of other countries in properly using the capital market to increase the elasticity of the central bank's macroeconomic control can be drawn for reference. In 1985, we achieved remarkable successes in exercising macrocontrol in the financial field, in which commercial credit, the mustering of funds in society, and financial bonds issued by the banks played a positive role in preventing an economic shock and mitigating the contradiction between the supply and demand of funds. This experience teaches us that socialist dountries should aiso make use of the capital markets to carry out macroeconomic regulation.

Systematically Set Up Capital Markets

How should we proceed from practice and set up capital markets with Chinese characteristics? This is a complicated question. While probing the question, many comrades have put undue stress on long-term capital markets. In my opinion, we should first set up and develop short-term capital markets and then gradually develop long-term capital markets. This is because: 1) Under a unitary credit form, China's credit system is still underdeveloped. At present, credit among the people and between enterprises is expressed mainly in a primitive form, such as by verbal agreement or by buying or selling things on credit. On this basis, it is necessary to develop various forms and means of credit and to perfect the credit system so as to enable the people to learn how to apply and manage the various means of credit and create conditions for setting up long-term capital markets. 2) In order to maintain a relatively fast devlopment speed in our country, which a has poor economic foundation, the demand of funds exceeding supply will be an apparent contradiction for a long time to come. The banks undertook the circulation of funds in the past. Now they can no longer do that. The funds should be circulated through the capital market and enterprises should increase the rate of their utilization. 3) When investment in capital construction is under control, we cannot out a large amount of currency on the long-term capital markets. Meanwhile, we need a period of time to study the issue and transfer of stocks and bonds, which involve a series of major policies and laws. Therefore, capital markets can only be explored, experimented with, and set up systematically.

What kind of capital markets can be set up at present? First, we whould set up a lending market between the banks and other financial units that can meet the needs of lateral economic ties. The forms, terms, and interest rates can be negotiated at first. With the development of the market, the methods concerning management can be worked out later. Second, we should set up a market to discount bills of exchange. This will enable enterprises to switch their current practice of making purchases and sales on credit to the practice of settling accounts by bills of exchange with fixed time of payment, thus establishing the practice of providing credit on bills of exchange and developing the practice of discounting bills of exchange by banks and rediscounting them by the central banks. It can also promote the horizontal flow of funds and gradually base bank credit on bills of exchange, which is advantageous to the strengthening of management. In addition, the Central Bank can regulate and exercise control over the supply of currency by means of discounting bills of exchange. Third, we should issue various forms of short-term bonds and gradually set up an exchange market. Through the buying and selling of short-term bonds by the financial units, we should popularize the use of bank drafts, cashiers' cheques, and huge sum transferable time certificates. In this way, we can help some enterprises solve their difficulties in working funds and gradually bring credit among the people onto the track of the planned market.

The long-term capital markets should be developed systematically. First, we must continue to issue financial bonds. Apart from the specialized banks, the trust and investment companies and the financial units that handle long-term investment and loans businesses can, within the limits permitted by the Central Bank, resolve the problem of sources of funds partially by issuing financial bonds. Second, enterprises must be allowed to issue company bonds and use the funds raised to make investment in the projects covered by the plan. Third, collective enterprises and lateral economic associations should be allowed to issue stocks on a trial basis. The participant enterprises of the associations are stockholders. Fourth, improve the work of issuing treasury bonds.

Exercise Management Over the Capital Market in a Planned Way

Management over the capital market has the following two purposes: First, support its normal development and give full play to its role of raising funds and making the best use of funds; and second, exercise macroeconomic control and regulation and ensure that the funds raised (also a component part of the supply of currency and the scope of credit) in the capital market will be under control. To this end, it is necessary to resolve the following problems:

1. RUNNING FINANCIAL UNITS IN A DIVERSIFIED MANNER AND IN A WAY ENTERPRISES ARE OPERATED. Only when different types of financial units are developed, when each financial unit has exercised decentralized management, and when the units at all levels have relatively independent power of operation and managment can we promote the horizontal flow of funds, stimulate mutual lending, and develop various forms of credit in the capital market. The running of financial units in a diversified manner and in a way enterprises are operated can enable bank credit to play a leading role in the capital market. In addition, the Central Bank can strengthen management and exercise control over the capital market through the financial units.

2. EXERCISE CONTROL OVER THE SCOPE OF CREDIT IN SOCIETY AS A WHOLE. Under the given condition of a fixed amount of currency in circulation in society, the funds raised from the capital market through various forms of credit are actually the redistribution of social funds among the state, enterprises, and individual. In order to exercise control over credit in society as a whole, it is necessary to maintain an appropriate amount of treasury bonds and exercise control over the scope of bank credit and credit between enterprises, particularly over long-term financial investment.

3. EXERCISE CONTROL OVER FINANCIAL INVESTMENT COSTS IN SOCIETY AS A WHOLE. Whether in state credit, bank credit, and commerical credit or in the issue of stocks and bonds by enterprises, the contention between them in raising the interest rates may eventually lead to a rise in financial investment costs in society as a whole, that is, a rise in interest for the investment of every yuan. For this reason, while opening up the capital market, the Central Bank should make a study of the optimum options of the financial investment costs and avoid the interests from being too high which may lead to a rise in investment costs of the national economy as a whole and to poor economic results. Meanwhile, the Central Bank should make use of the loan renewal rate, rediscount rates, and financial bond rate to guide and exercise control over the interest rates in the capital market. Naturally, some necessary administrative measures can also be taken.

4. STRENGTHEN LEGISLATION AND EXERCISE MANAGEMENT ACCORDING TO LAW. Following the promulgation of the "Provisional Regulations of the PRC on Banking Managment," it is necessary to further adopt and promulgate regulations on management of bills of exchange, bonds, and stocks. Meanwhile, we must also formulate laws and regulations, including the company law and bankruptcy law.

CURTAILED INVESTMENT IN FIXED ASSETS URGED

HK050257 Beijing RENMIN RIBAO in Chinese 29 Aug 86 p 5

[Article by Liu Fengchang: "While Curtailing Investment, the Structure of Investment Should Also Be Readjusted"]

[Excerpts] Following the founding of the PRC, China's investment in fixed assets went out of control on three occasions. The first one was in 1958, the second one in 1978, and the third one was the extremely rapid growth during the late Sixth 5-Year Plan. The former two led to a serious proportional imbalance which forced us to undergo two major readjustments. The third one did not lead to a serious proportional imbalance. The national economy developed in a coordinated manner and the scale of investment was brought under control very soon.

Why could the excessive investment in fixed assets on three occasions produce two different results? In order to get the answer to this question, we should make a concrete analysis of the excessive investment in fixed assets.

Investment in fixed assets which went out of control on the former two occasions took place under the old economic development pattern. After liberation, China indiscriminately imitated the economic development pattern of the Soviet Union. In the industrial setup, we gave priority to the development of heavy industry; and in investment in capital construction, we regarded heavy industry as superior to light industry for a long time. [passage omitted]

Investment in fixed assets which went out of control during the late Sixth 5-Year Plan took place in the course of economic reform. It was an outcome of the substitution of a new system for the old one. The rapid growth during this period was manifested in the following: First, the proportion of heavy industrial investment in the national plan increased sharply. Compared with 1981, investment in capital construction of heavy industry in 1985 increased by 140 percent, while investment in light industry during the same period registered no increase at all. The sharp increate in heavy industrial investment was due to the fact that the state unsured the development of energy, communications, and raw materials industry as well as to the habitual practice under the old system which regarded heavy industry as superior to light industry. Second, investment in light industry not covered by the plan increased sharply. According to the statistics prepared by the departments of light industry, apart from investment by the state, the funds raised by various localities through different channels and then invested in light industry during the Sixth 5-Year Plan totaled around 20 billion yuan, more than 200 percent over investment by the state during the same period and outstripping the total sum of investment made by the state over the past 30 years. The sharp increase in heavy and light industrial investment led to excessive investment in fixed assets which was more or less the same as the situation in 1958 and 1978. However, the current excessive investment in fixed assets did not lead to a serious proportional imbalance. This was because the sharp increase in light industrial investment not covered by the plan and the sharp increase in heavy industrial investment took place under different circumstances and produced different results. On the whole, they offset the lopsided development of heavy industry.

It should be noted that the recent increase in light industrial investment has played a positive role in the development of the national economy. On the one hand, it has accelerated the development of light industry and put an end to the proportional imbalance between heavy and light industry. [paragraph continues]

Although the state did not increase investment in light industry during the Sixth 5-Year Plan, extra-budgetary investment made by various localities increased by a big margin. The actual investment in light industry during this period was the largest since the founding of the PRC. The investment was mainly used for technical transformation of enterprises, which put an end to the backwardness of light industry and accelerated its development. In recent years, the development of light industry has outstripped that of heavy industry. Compared with 1980, the total output value of light industry in 1985 increased by 76.5 percent while that of heavy industry increased by 58.5 percent. The ratio between light and heavy industry changed from 47 to 53 in 1980 to 49.6 to 50.4 in 1985. Light industry developed in a coordinated manner and its market presented a scene of prosperity seldom seen since the founding of the PRC. [passage omitted] The excessive investment on three occasions and two results indicate the following: Both the imbalance in investment structure and execssive investment are of equal importance. The excessive investment in 1958 and 1978 and the imbalance in investment structure took place at the same time. Thus, it led to a serious proportional imbalance in the national economy and compelled us to undergo readjustment. Although the scale of investment on the third occasion also went out of control, it did not lead to a serious proportional imbalance of the national economy because the investment structure was well coordinated on the whole. For this reason, while curtailing investment in fixed assets, we must ensure that the investment structure is rational. [passage omitted]

The question of excessive investment in fixed assets has not yet been completely resolved. The scale of investment in fixed assets is still too large and there are too many extra-budgetary projects, which must be curtailed. Nevertheless, we must learn from past lessons and never impose uniformity on everything. The capital construction projects not covered by plan should resolutely be curtailed and suspended even if the construction has started. However, the projects to undergo technical transformation, though not covered in the plan, should be dealt with carefully. This is because the old enterprises have gotten into heavy debts over the years. If they are not transformed as quickly as possible, it will be impossible for them to meet the changing needs of domestic and international markets. Nevertheless, capital construction projects developed blindly under the pretext of technical transformation, that produce unmarketable products and have no ample supply of raw materials, should be resolutely curtailed. The projects must be suspended even if the construction has already started.

STATE COUNCIL URGES ASSISTANCE TO POOREST AREAS

OW071423 Beijing XINHUA in English 1354 GMT 7 Sep 86

[Text] Beijing, September 7 (XINHUA) -- The State Council, China's highest governing body, has urged the state organizations and all walks of life to do what they can to help invigorate the economy in the country's poorest areas. About 200 counties, or one-tenth of the nation's total, are rated as such areas, where annual income of peasant families is below 200 yuan (about 54 U.S. dollars) per person. To enable the people in these areas to have enough to eat and wear in the next five years is an arduous task and the responsibility of the Chinese Communist Party and the whole country, the State Council said in a document approving the summary of the second meeting of the State Council Office for economic development in the poorest areas. The past two years saw a large number of officials, sent by the central and local departments to work in these areas. It was proposed in the summary that this be continued. According to an earlier report, the State Council has approved loans of one billion yuan (270 million U.S. dollars) a year for five years to the country's poorest areas.

FOREIGN EXCHANGE RESERVES FIGURES PUBLISHED

HK051053 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0814 GMT 4 Sep 86

[Text] Beijing, 4 Sep (ZHONGGUO XINWEN SHE) -- Issue No 9 of ZHONGGUO JINRONG [CHINA'S FINANCE], which came off the presses today, has published the latest statistics on China's foreign exchange reserves. At the end of last June, China's foreign exchange reserves amounted to $10.473 billion. This figure represented an increase of $125 million over the end of the first quarter of this year, or a drop of $1.440 billion over the end of last year. It included $2.224 billion in state foreign exchange reserves and $8.249 billion in the foreign exchange balance of the Bank of China. Moreover, by the end of the second quarter, the balance of the state's foreign debts was $6.599 billion, while the state's gold reserve remained at 12.67 million ounces.

FANG YI ATTENDS SCIENTIFIC WORK CONFERENCE

OW311417 Beijing Domestic Service in Mandarin 1100 GMT 29 Aug 86

[Text] A 1986 scientific and technological work conference on comprehensive utilization of Baotou's resources, which was jointly held by the State Scientific Commisson, the State Economic Commission, the Ministry of Metallurgical Industry, the China National Nonferrous Metals Industry Corporation, and other units, ended today. State Councillor Fang Yi spoke at the meeting. In recent years, Baotou has achieved marked results in carrying out comprehensive utilization -- the (Xuning) ore dressing industrial experiment -- has proved successful.

LI PENG, SONG JIAN MEET ANTARCTIC TEAM MEMBERS

OW051032 Beijing XINHUA Domestic Service in Chinese 1210 GMT 3 Sep 86

[By reporter Zhang Jimin]

[Excerpts] Beijing, 3 Sep (XINHUA) -- Li Peng, vice premier of the State Council, and Song Jian, state councillor and minister of the State Science and Technology commission, met with members of China's third antarctic expedition team at the Great Hall of the People this afternoon. They urged the team members to live up to the ardent wishes of their countrymen by strengthening unity, obeying orders, and successfully carrying out the survey tasks.

At the start of the meeting, Li Peng and Song Jian received a briefing from Qian Zhihong, general director of the expedition team. [passage omitted]

After inquiring about the preparations made for the expedition, Li Peng said: The expedition involves many arduous tasks. You should prepare for the worst and do your best in the entire course of the expedition, and you should do a good safety job. He said: The expedition cannot be successful without idealism, discipline, and devotion to survey work. Song Jian added: We achieved great success in our previous expeditions. You should keep up the good work and make new contributions to the country. [passage omitted]

SONG JIAN ADDRESSES MEETING ON MINERAL RESOURCES

OW051030 Beijing XINHUA Domestic Service in Chinese 0714 GMT 3 Sep 86

[Text] Beijing, 3 Sep (XINHUA) -- At the national meeting on the exploitation and management of mineral resources today, State Councillor Song Jian pointed out: The promulgation of the "Law on Mineral Resources" has raised the work of geological prospecting and mining management to a new height. This is not longer an ordinary issue of management, but a legal issue.

The national meeting on the exploitation and management of mineral resources was held to pave the way for the official implementation of the "Law on Mineral Resources" from 1 October this year. Attending the meeting were NPC Standing Committee Vice Chairman Peng Chong and responsible comrades of the NPC Standing Committee, the Supreme People's Court, the Supreme People's Procuratorate, 34 ministries and commissions under the State Council, the PLA General Logistics Department, and various provinces, autonomous regions, and muncipalities directly under the central authorities.

In his speech, Song Jian said: Since the founding of the nation, geological and mining enterprises have attained rapid progress. Large-scale geological surveys and prospecting have helped expand the range of geological studies and proved that China is a nation with a large variety of minerals and a considerably large amount of mineral reserves. However, we must also realize that the existing foundation for the development of natural resources, energy, and raw materials still fails to meet the needs of economic development. During the "Seventh 5-Year Plan", the amount of rolled steel, nonferrous metals, raw materials for chemical industry, building materials, and other raw materials will become an important factor that will determine China's economic development, like energy and transport. To alleviate the situation of supply falling short of demand in mineral products, we must vigorously step up efforts in prospecting, exploiting, and finding new mineral and energy resources and select the best places to build base areas for the development of mining industry. This is the fundamental way to build the material foundation for the development of the four modernizations. At the same time, we must realize that, on the one hand, demand currently exceeds supply in energy and raw materials; on the other hand, mineral resources and products are often being destroyed and wasted. Such a situation aggravates the contradiction between supply and demand. Therefore, we must resolutely implement the "Law on Mineral Resources" and effectively combat man-made losses and waste.

Song Jian pointed out: The "Law on Mineral Resources" is a basic law to rejuvenate and protect China's mining industry. It is aimed at developing the mining industry, at stepping up prospecting, exploitation, and protection of mineral resources, and at meeting present and future needs in developing socialist modernization. In surveying, prospecting for, and exploiting mineral resources, we must make unified plans and overall arrangements and adopt standard measures in handling applications for permits for and registrations of various mining activities. All mining units, be they run by the state, a collective, or an individual, must submit their applications forming permits according to law and obtain the right to carry out mining. Under no circumstances should one be permitted to engage in mining without a permit or tap mineral resources beyond the boundaries specified in the permit. By administering unified management, we can avoid unncessary waste, help develop various mining activities in various economic forms with state-run mining enterprises as the center, raise efficiency in tapping mineral resources, and truly bring into full play the superiority of China's mineral resources.

Song Jian emphatically pointed out; In enforcing the "Law on Mineral Resources", the key lies in strengthening management over mineral resources. Legal measures should be applied in controlling mining producton, manpower, mineral resources, environment, and even the circulation of mineral products and transportaton. From now on, the principle in exploiting and managing mineral resources is: Whoever exploits resources should protect them. Whoever undermines such resources should pay for it (as a punishment). Whoever pollutes the environment should take measures to protect it. We must protect whatever activities are permitted by law, and resolutely ban all unlawful activites. We must pursue legal liabilities against anyone who violates the law. All units, from the central level down to the local government level and from the general department lefl down to the specialized department level, must consicentiously safeguard the unity and solemnity of the "Law on Mineral Resources." They must take into account not only their own interests and must refrain from doing whatever they think is correct. To do a good job in exploiting and managing mineral resources, the governments at all levels must establish a division of labor incorporating individual responsibility and carry out their respective duties responsibly.

Song Jian said: The ;work of geological prospecting and surveying involves science to a great extent. We must rely on science and technology in exploiting mineral resources, from mining to ore dressing and processing. We must ;make further improvements in exploiting and developing mineral resources. The most basic thing to do is to constantly increase our capabilities in mining and ore dressing, smelting, and processing, and to master advanced mining technology. We must strive to learn applied technology in exploiting and using mineral products, in diversifying the use of such products, and in retrieving and using waste mineral products. We must modernize our equipment, use continuous automation in our operations, and achieve the goal of increasing production efficiency, turning out high-quality products, reducing energy and raw material consumption, and creating less pollution. to achieve this goal, we must fully rely on and birng into full play the role of our scientists and technicans.

Song Jian said: The work of prospecting, exploiting, and managing mineral resources involves many departments in the field of science and technology. It is hoped that more scientists and technicans of relevant scientific research institutions, organizatons, and colleges will participate in the practice of prospecting, surveying, exploiting, studying, and managing mineral resources and make still greater contributions to rejuvenating China's mining industry.

GU MU STRESSES OPEN ECONOMIC POLICY :FOR XINJIANG

OW061352 Beijing XINHUA in English 1341 GMT 6 Sep 86

[Text] Urumqi, September 6 (XINHUA) -- The economy of Xinjiang Uygur Autonomous region should be stimulated through further implementation of the open policy, according to State Councillor Gu Mu. In speeches to local officals published today, Gu Mu said that the state would adopt a more flexible policy and Xinjiang should make greater efforts to make foreign investors realize that it is more profitable in Xinjiang than in other parts in China.

"To create conditions for foreign investment, Xinjiang should boost output of cotton, fruit, melons, silk cocoons and licorice root (a medicinal herb) while ensuring grain production, increased work quality, improved administration and developed communications and transport," said Gu. Though possessing a wealth of cultural sites, he said, tourism has yet to be developed. In particular, there ;should be a unified development plan for traffic, restaurants, hotels and ;shops and tourists facilities in general.

CARTOONIST COMMENTS ON ARTISTIC VALUE, RED TAPE

HK010622 Hong Kong HONGKONG STANDARD in English 1 Sep 86 p 5

[Text] Red tape is making the Chinese see red. So is nepotism, self-seeking and other social evils. All these must be reflected in cartoons if they are to serve the public interest, says the vice-president and permanent member of the Chinese Artists' Association, Mr Hua Junwu.

"Merely to squeeze smiles from the readers is not enough. For cartoons to make sense, they must present truth and get to the crux of public grievances," Mr Hua added.

Mr Hua Junwu is one of the top cartoonists in contemporary China. His signature is familiar to most newspaper and magazine readers.

Noted for his plain talk, incisive analysis and keen observation, Mr Hua who is in his seventies, is full of vitality. In fact, he looks much younger than his age.

He began as a free-lancer at 19, and never had any formal training in fine arts.

In 1938, he moved to Yenan, the Chinese communist base at that time. Since then he has held various key posts in the field of art.

His cartoons are a blend of his personality and his sharp mind. He furnishes them with novel subjects filled with profound meaning and delivered in a humourous way to the reader.

Mr Hua says: "Strictly speaking, I am an amateur cartoonist. My official work ties me up with meetings and travels abroad. I have to find the time in between to work on my cartoons."

Of his cartoons, he says: "Most of my original ideas are drawn from real life. Very often I get ideas from listening to the discussions of the people around me or by watching their attitudes towards things."

He is an ardent visitor to the various exhibitions of paintings. He likes shopping. Occasionally he receives guests and pays visits to the painters to share problems relating to his art.

He said: "In spite of the fact that I know little beyond cartoons, I am drawn to other forms of arts."

He collects artworks and pipes, although he has given up smoking.

He believes contemporary Chinese cartoons suffer from a lack of artistic value. Some of them are crudely designed and roughly presented. Above all, they carry little sense of humour.

Mr Hua said: "Humour can only be conceived mentally, but cannot be explained in words. Without a gifted sense of that, even a life-time cartoonist cannot make the grade."

He once made a caricature of this scene: The actors cracked jokes on the stage, but the audience uttered not a single titter. The artists [as published] then resorted to scratching their armpits to evoke laughter. That work vividly satirised the poverty of humour amongst cartoonists.

He said that older cartoonists excelled not only in terms of the quality but also in techniques at their command.

However, these cartoonists have retired or passed away. There is a need to train up new ones immediately.

BRIEFS

BOOK ON CULTURAL REVOLUTION -- China's first book of nonfictions reporting events of the "Cultural Revolution" (1966-76) will be published by the Huaxia Publishing House which has Deng Pufang, son of Chinese leader Deng Xiaoping, as its president. The three-volume book collected 52 reportages and features about how the gang of four persecuted Chinese Coummunist Party leaders, including Liu Shaoqi, Zhou En Lai, and Deng Xiaoping. The book also contains an article about the 1976 Tiananmen Incident (April 5, 1976), a large scaled mass action to honour the memory of the late Premier Zhou Enlai and denounce the gang of four. [Excerpt] [Beijing XINHUA in English 1555 GMT 1 Sep 86 OW]

LI GUIXIAN ON MAKING HEFEI PROVINCIAL CENTER

OW071245 Hefei ANHUI RIBAO in Chinese 9 Aug 86 p 1

[By ANHUI RIBAO reporters Wang Rongfeng and Wang Yan]

[Excerpts] After hearing the work report made by the Hefei City CPC Committee on the morning of 8 August, Secretary Li Guixian and Deputy Secretary Lu Rongjing of the Anhui Provincial CPC Committee delivered speeches on how to give full scope to Hefei's role as a central city of the province and on other issues.

At 0830 on 8 August, Comrade Li Guixian and Deputy Secretary Lu Rongjing of the provincial party committee arrived at the conference room on the third floor of the Hefei City CPC Committee building, and heard the work report on the work in Hefei made by Yang Yongliang, secretary of the Hefei City CPC Committee. Comrade Li Guixian said: Generally speaking, work in Hefei has been carried out well. The economic situation in the city is fairly good. The city's cadres perform their duties efficiently, and the city is under good management. This is the impression I get after comparing Hefei with other fraternal cities.

On how to give full scope to Hefei's role as a central city, Comrade Li Guixian said: A province or a region should have a central city surrounded by medium-sized and small cities, thus forming a city group. Only by doing so, can we give full scope to the central city's role in promoting economic development. Hefei is the capital of Anhui Province. It should be the political, economic, cultural and communication center as well. [passage omitted]

Li Guixian also pointed out: To become the central economic center of the entire province or of the Jianghuai region and gove full play to its role, Hefei should aim for the following conditions:

1. Efforts must be made to increase the city's actual economic strength. Its total output in industry and agriculture and its total revenue are the highest in the province. However, when we compare it with the capitals of fraternal provinces, Hefei still lays behind. Its actual economic strength is still inadequate, and it should redouble efforts to increase this strength. [passage omitted]

2. Full attention must be paid to communications and transportation. Hefei has built a fairly good highway network, but the quality of the road surface is still not too good, and there are not too many railroads passing through the city. It should step up its efforts in construction and become a communication center to bring about commercial development and prosperity. [passage omitted]

3. Efforts must be made to develop industry so as to turn out more products of superior quality. By developing lateral economic ties with other cities and provinces, Hefei City should strive to develop one or more industries to turn out more brand-name or high-quality products. We must pay attention to quality as well as quantity. [passage omitted]

4. It is necessary to serve the whole province, and open the province to the whole country and even to the entire world. We must do a good job in attracting more investments from all quarters. [passage omitted]

Comrade Li Guixian also talked about how Hefei City should play its role in helping build civilized cities. He said: Hefei City is Anhui's "window" as well as "door." However, it has not set a good examaple in building civilized cities. Right now, the sanitary conditions in the city are not very good. We must be determined to continue improving sanitary conditions in the city. At the same time, we must also strengthen public security work, develop the city's infrastructural facilities, and improve services.

On how to do a good job in serving science, technology, and education and build Hefei into a real "city of science," Comrade Li Guixian mentioned some specific requirements. He pointed out: The Hefei branch of the Academy of Sciences of China and other scientific research institutions and colleges, such as the University of Science and Technology in Hefei, have helped train many competent people for the city. We must help the broad masses of scientists and technicians whip up enthusiasm in work. [passage omitted]

Deputy Secretary Lu Rongjing of the provincial party committee also expressed his views on how to give full scope to Hefei's role as a central city. He emphatically pointed out: Hefei must get organized to strengthen its study of urban development, concentrate efforts on improving management at all levels, and firmly establish the commodity economy, market, and service work concepts. It must correctly deal with the best relationship between the macro- and micro-economy; make the best use of its strong points and correct its weaknesses; give full play to the city's superiority; tap the potential of the city's industry; and play its role well in setting a good example in building civilized cities throughout the province. Efforts must be made to attract more investments in all fields and to build Hefei into a truly central city as soon as possible.

WORKERS' POWER INCREASES IN SHANGHAI FACTORIES

OW060428 Beijing XINHUA in English 0013 GMT 6 Sep 86

["News Feature: Worker Power Increased in Shanghai Factories" -- XINHUA headline]

[Text] Beijing, September 6 (by XINHUA correspondent Xu Guangyao) -- China is now experimenting with ways to increase the decision-making powers of factory directors, including the power to hire and dismiss workers. But at least in some factories in Shanghai, workers can also get rid of directors with whom they are not satisfied.

At Shanghai's Wusong Gas-works, the workers' congress rates the factory director once a year. If a majority like him, he can continue his job. If not, the congress will propose that he resign of his own accord.

Workers rate workshop directors twice a year, who can be dismissed through a proposal to the factory management.

Since 1984, a responsibility system for directors has been instituted in 730 Shanghai factories, one third of the total in this leading industrial and business center of China's. Under such a system, the directors have exclusive power over production, management and employment.

The factory party committees, which used to be all-powerful, now play a supervisor role, seeing to it that party and government policies are carried out to the letter and state production quotas fulfilled.

City officials believe it is now even more important for factory directors to work in a democratic manner, and the worker' congresses can help them achieve this aim.

In fact, they say, such congresses have the power to examine and approve proposals from factory directors on production, management, business operations, and plans for future development.

In the past, the congresses were only concerned with fringe benefits and welfare programs.

According to Xia Ketai, chairman of the worker's congress at the 7,800-member, No. 12 textile factory, 74 percent of the proposals the representatives made at the last session were on production and management.

During the previous session, however, 67 percent of the proposals were concerned with welfare and fringe benefits.

Hearing 400,000 yuan was needed to fulfill the factory's profit quota, representatives of the congress put forward 38 proposals. They were adopted by director Shi Dingxiang and resulted in a profit higher than one million yuan, Xia said.

In 1985, when Shi Dingxiang was reshuffling his management team, he promoted 14 assistants recommended by the congress.

In many factories, the congresses have set up advisory groups for directors. "More democracy will make workers become true masters of their factories," one official said.

Increased representation for white collar workers is another recent development, said Shanghai officials.

In the No. 12 textile mill, engineers, technicians and managerial personnel now account for 44 percent of deputies for the workers' congress, up from 11 percent in the past.

China began experimenting with the workers' congress system a few years ago, the same time the experiment to increase the decision-making power of factory directors in order to boost industrial efficiency was started.

Workers' congress representatives are chosen through election, usually accounting for three to four percent of employees.

TYPHOON 'WAYNE' STRIKES GUANGDONG PROVINCE

OW051745 Beijing XINHUA in English 1730 GMT 5 Sep 86

[Text] Guangzhou, September 5 (XINHUA) -- Typhoon "Wayne" surged onshore between Wenchang and Xuwen Counties in Guangdong Province about noon today, sweeping across the Qiongzhou Straits with hurricane force winds.

The typhoon struck at least a dozen counties and cities, bringing torrential rain. Floods threatened more than 10,000 people as telephone lines fell and communications were suspended. Waves of four or five meters overran the dike in Xuwen County along Guangdong's southern coast. Sugar cane, rubber trees and other tall crops suffered serious damage. But reservoirs in the stricken areas are safe, according to provincial officials.

Local governments have organized rescue operations, but extensive precautions by residents in the typhoon's path seem to have prevented extensive injuries or property losses, aside from the crops.

The typhoon was formed August 16 and wandered the high seas for 19 days, attacking Taiwan Island on three occasions and causing serious losses. Its strange movements have lasted 21 days -- making "Wayne" the most unusual typhoon in 100 years, according to local meteorologists.

GUANGXI LEADER STRESSES CONTROLLING EXPENDITURE

HK060231 Nanning Guangxi Regional Service in Mandarin 1000 GMT 5 Sep 86

[Excerpts] Regional government Chairman Wei Chunshu pointed out at a regional conference on financial and taxation work on 3 September that financial and taxation work must stimulate economic development and support economic structural reform. It is essential to get a good grasp of increasing revenue and economizing expenditure and achieve balanced budgets.

Comrade Wei Chunshu said: Guangxi's economy has registered new development this year. The financial situation is also good. Revenue from January to July was 10.9 percent up on the same period last year. However, there are also a number of conspicuous problems in financial work, as follows: 1) There has been an excessive increasing in expenditure. 2) Enterprise economic results are not good enough. 3) Some places ignore financial possibilities and increase expenditure by budgeting for a deficit. 4) Some places exceed the bounds of the central and regional regulations in arbitrarily devising ways of reducing revenue and increasing expenditure.

Comrade Wei Chunshu demanded that the region take immediate action to resolutely control expenditure while getting a good grasp of organizing revenue. It is particularly necessary to control nonproductive expenditure and strive to achieve a balanced budget over the whole year.

In order to fulfill this year's budget, Wei Chunshu stressed that the following points must be grasped:

1. Unify thinking and have a correct view of the region's present financial situation. We must handle properly the contradictions between requirements and possibilities, act according to our capacity, and get rid of the idea of stretching out hands for assistance from higher authority.

2. Work hard to cut expenditure. All expenditure must be kept within the control targets handed down by the regional authorities and must not exceed them.

3. Get a good grasp of organizing revenue by working hard to increase production and expand circulation. [passage omitted]

4. Uphold the principle of living within one's means and ensure a balanced budget. The financial departments must do what they can with the money they have, and must certainly not operate at a deficit. If revenue cannot be increased, expenditure must be resolutely cut. We must achieve balanced budgets.

HENAN SECRETARY VISITS MEDICAL TRAINING COLLEGE

HK070403 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 6 Sep 86

[Excerpts] On 6 September, Yang Xizong, secretary of the provincial party committee, and Hou Zhiying, member of the provincial party committee Standing Committee and director of the Propaganda Department, attended a forum at the Henan Medical Training University to mark Teachers' Day. [passage omitted]

Yang Xizong said at the meeting: Culture and education constitute an important part of building spiritual civilization. He expressed the hope that the teachers would set a fine example and make contributions to building spiritual civilization.

On the shortage of education funds, Comrade Yang Xizong said that as the economy develops and financial strength grows, the government at all levels should gradually increase investment in education. We should also advocate a variety of channels and tiers and adopt various means to mobilize the forces of society to display the spirit of arduous struggle and make a success of running education. [passage omitted]

HUNAN RADIO URGES DISCARDING 1950's CONCEPTS

HK080257 Changsha Hunan Provincial Service in Mandarin 0900 GMT 7 Sep 86

["Sunday Chat" by (Hu Zheng): "More on Renewing Concepts"]

[Excerpts] [passage omitted] When mention is made of the contents of renewal of concepts, some comrades may wonder whether these are limited to eliminating leftism and to the problems touched on in the course of bringing order out of chaos. Our answer is no. This is because the emphasis in bringing order out of chaos was on restoration. The focus in eiminating leftist concepts a few years ago was on reversing again the concepts that had been reversed by Lin Biao and the gang of four. In a certain sense, therefore, eliminating leftism at that time would be better described as restoring the original features of truth rather than as renewing concepts.

However, the current reforms are creative and pioneering. They represent a profound revolution under the premise of upholding the four basic principles. The social change which faces modernization and the world must not only totally negate the leftist stuff of the Cultural Revolution but also touch all aspects of society and affect people in various ways mentally and psychologically. Many of the changes that have occured and will occur in China are things that we have never seen before. [passage omitted]

In these circumstances, if our ideological concepts remain stuck in the old patterns, people are prone to worry about whether we are pursuing socialism or capitalism in certain specific issues. As a result, certain comrades, even while supporting reform and sincerely wanting to make a success of China's affairs, become a little like Lord Ye, professing love for what they really fear, when confronted with the tide of reform; even comrades whose minds were greatly emancipated as a result of bringing order out of chaos also face a problem of whether their thinking can keep up with the new situation.

In speaking of renewal of concepts, we must first understand that this is not something that has come to an end with the completion of bringing order out of chaos in the guiding ideas. Instead, it means discarding certain old concepts in past socialist practice on the basis of eliminating leftism, boldly probing new truths, and establishing a whole series of new concepts for building socialism with Chinese characteristics.

Proceeding from this demand and goal, a conspicuous problem in renewing concepts is that our thinking must be emancipated from certain conventions and frameworks of the 1950's and the early 1960's. We cannot substitute pleasant reminiscences of the 1950's for our ideas of today and the future. Our party indeed achieved brilliant successes in the great cause of leading socialist revolution and construction in the 1950's and the early 1960's. Many systems, concepts, policies, and methods of that time yielded initial success because they accorded with reality at that time. It is precisely for this reason that certain comrades wallow in yearning for the 1950's and regard returning to that era as their goal and their satisfaction. This mentality turns into an invisible spiritual rope tying up their thinking and hampering reform. Hence, in renewing concepts, we must jump out of the leftist conventions of the Cultural Revolution period and also further jump out of certain conventions of the 1950's that no longer suit current realities.

Our comrades must realize that, as far as our cause is concerned, the golden age has not passed but is yet to come. The China of today is different from that of the 1950's in economics, culture, population makeup, the situation of different strata, and so on. If people want to take China, which belongs to the world of today, into the framework of the systems, concepts, policies, and methods of the 1950's, that will be equivalent to cutting the foot to fit the shoe. Moreover, certain things of the 1950's were by no means ideal at that time either.

Therefore, as far as the contents of renewal of concepts are concerned, we must discard the concepts formed by closed-style methods of thought and proceed from the country's historical conditions. It is important to realize that we cannot apply the mind of the 1950's to observe the problems of today and the future; we must use the new vision, practice, and concepts of the 1980's to reform our own thinking. [passage omitted]

SICHUAN MEETING ON REFORMING LABOR SYSTEM

HK040139 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 3 Sep 86

[Text] A provincial conference on reforming the labor system concluded on 3 September after 5 days in session. Present were Vice Governor Ma Lin; (Zhan Jifu), deputy director of the Propaganda Department of the provincial party committee; (Zhang Rulan), deputy director of the Political Department of the provincial Planning and Economics Commission; and (Zhang Lianhua), vice chairman of the provincial Federation of Trade Unions.

Vice Governor Ma Lin stressed in his speech on 3 September: We must understand from the plane of theory and practice the practical and far-reaching significance of this reform, maintain political unity with the central authorities, and spontaneously take action to implement the four regulations.

He pointed out that the leading comrades of all cities, prefectures, departments, and units must seriously study the relevant documents of the CPC Central Committee and State Council so as to gain a correct understanding of the necessity and urgency of reforming the labor system, grasp the orientation and goals of reform, and do a thoroughly good job in implenting the relevant State Council and provincial documents with a staunch attitude and positive work.

(Zhang Jin), director of the provincial Labor and Personnel Department, spoke at the beginning and conclusion of the meeting, putting forward specific demands on how to do a good job in reforming the labor system and implementing the spirit of the meeting.

YUNNAN OPENS LEGAL COURSE FOR LEADING CADRES

HK051037 Kunming Yunnan Provincial Service in Mandarin 1000 GMT 4 Sep 86

[Excerpt] A course of lectures on popularizing legal knowledge run by the Yunnan provincial party committee for leading cadres opened in the general office of the provincial party committee today. Attending the course are leading comrades of the Yunnan provincial party committee, provincial Advisory Commission, provincial Discipline Inspection Commission, provincial People's Congress, provincial government, and provincial CPPCC Committee, and the principal responsible comrades of the party groups and party committees of all departments, commissions, offices, and bureaus at the provincial level. The course is being led by Liu Shusheng, deputy secretary of the provincial party committee. (Shen Zhongling), a professor at Beijing University, has been invited to give lectures on law to the cadres of the provincial departments and bureaus. He arrived in Kunming yesterday afternoon.

Before today's lecture, responsible comrades of the provincial party committee, including Pu Chaozhu, He Zhiqiang, Zhu Zhihui, Li Shuji, and Liu Shusheng, and Li Xingwang, a responsible comrade of the provincial Advisory Commission, cordially met (Shen) and expressed gratitude to him for making a special trip to Yunnan to give lectures. [passage omitted]

NEI MONGGOL CONDUCTS RURAL PARTY RECTIFICATION

SK050557 Hohhot Nei Monggol Regional Service in Mandarin 1000 GMT 4 Sep 86

[Text] Our region has achieved successes in deeply carrying out rural and pastoral party rectification. Since last winter, more than 1,600 town, township, and sumu party committees and more than 14,000 villages and gacha party branches have carried out party rectification in an all-round way. The rural and pastoral party rectification has been carried out in a step-by-step manner and in line with the principle of towns, townships, and sumu ahead of villages and gacha. After more than 10 month's efforts, towns, townships and sumu, and villages and gacha of some leagues and cities have basically finished their party rectification work.

When rural and pastoral party rectification started, the regional party committee repeatedly stressed the party rectification should be carried out to serve the overall situation of unity, construction, and reform.

The region has scored better achievements in rural and pastoral party rectification thanks to the careful organization and guidance of the party committees at all levels. Through party rectification, the large number of party members have further unified their thinking on the party's policies on rural and pastoral reform and economic development, have freed themselves from the old ideas of small-scale peasant economy, have been inspired with enthusiasm for developing socialist commodity economy, and have upgraded their understanding of the party's fundamental purpose and the sense of party spirit. Some party members played an exemplary role in developing production, seeking prosperity through labor, and helping impoverished households eliminate poverty and seek wealth. A number of model party members have emerged.

All localities have persistently corrected mistakes in the course of party rectification. Over 900 leading bodies of town, township and sumu party committees and over 3,000 leading bodies of village and gacha party branches have been readjusted and strengthened through party rectification. This has helped facilitate the second-step reform of the rural and pastoral areas and accelerate the pace of the two civilizations.

According to the arrangements made by the regional party rectification office, the village-level party organizations that have not started their party rectification work should carry out party rectification this autumn and winter, and the banners and counties that are carrying out the village-level party rectification should speed up their preparatory work.

QINGHAI MEETING DISCUSSES HU YAOBANG INSTRUCTIONS

HK040315 Xining Qinghai Provincial Service in Mandarin 2230 GMT 3 Sep 86

[Excerpts] According to QINGHAI RIBAO, the Qinghai Provincial CPC Committee convened a Standing Committee meeting on 3 September for concentrated study of Comrade Hu Yaobang's speech delivered at a gathering of leading cadres of the party, government, and army in the province on 27 August and the important instructions he gave during his inspection of the province. The meeting resolved to lead the cadres and the people of all nationalities in the province to seriously implement the spirit of Comrade Hu Yaobang's speech, persevere in reform, and work hard to build Qinghai. [passage omitted]

The participants said: Comrade Hu Yaobang's earnest and serious work style of practicing what he advocates, working in a sound way, and going deep into the grass roots has set an example for the whole party and all the cadres.

The meeting held: The important speech and instructions delivered by Comrade Hu Yaobang during his inspection of Qinghai fully accords with the reality of the province. They enable us to have a clear picutre of the orientation and road and to learn how to tackle the problems. The leading comrades of all areas, departments, and units in the province must spend a period in the near future in concentrated study of the spirit of Comrade Hu Yaobang's speech in connection with reality. They should first study step by step, going deeper each time, and then develop views on implementation.

The meeting stressed: It is necessary to succeed in the following respects in study:

1. Through studying the spirit of Comrade Hu Yaobang's speech, everyone should enhance understanding of the great significance of his inspection of Qinghai, unify thinking, persevere in reform, strengthen confidence, and speed up reforms in the province.

2. After thorough discussion and preparation, specific arrangements should be made by each department for implementing the spirit of the speech, and these should be reported to the provincial party committee.

3. In the course of implementation, it is necessary to practice division of responsibility and provide appropriate guidance.

In light of Comrade Hu Yaobang's instruction that people should be neither arrogant nor slack, the participants seriously reviewed shortcomings in past work in four respects:

1. Our minds have not been emancipated enough and our vision is not broad enough. We have not thought about certain problems in depth, and we have not been creative enough in work.

2. Our work style is not thorough enough. We have failed to think about or do certain things that we should have thought about and done. Although we have thought about some of them, we have not done anything about them.

3. We have not been assidious enough in studying basic Marxist-Leninist theory and the party's principles and policies. There are shortcomings in linking theory with reality. We have not made enough effort in learning the fresh experiences of other places. Our work is not lively enough and our road is not broad enough.

4. There is need for improvement in work methods. We have not done enough in grasping the main contradictions and solving problems found in the course of investigation and study. The role of the functional departments has not been brought into sufficient play.

The meeting decided that the Standing Committee of the provincial party committee should continue to conduct periodic concentrated study of the spirit of Comrade Hu Yaobang's speech and instructions delivered during his inspection of Qinghai.

In order to continually deepen this study, the meeting drew up a list of 10 special topics: attaching importance to developing animal husbandry; accurately identifying strong points in natural resources; doing a good job in building backbone projects; being more bold in opening up to the world; carrying out political structural reform; building spiritual civilization, including the strengthening of nationality solidarity, the all-round and correct implementation of the party's policy on religion, and the practice of having cadres take the lead in observing law and discipline; developing handicrafts, the collection business, and township enterprises; reforming the public health structure; using capital in a concentrated way; and leadership style. Leaders of the provincial party committee and government will divide responsibility of these among themselves and will organize the departments concerned to undertake serious study, consideration, and research into these topics, and to submit views on implementation to the provincial party commitee Standing Committee for discussion.

QINGHAI SECRETARY VISITS NATIONALITIES COLLEGE

HK050933 Xining Qinghai Provincial Service in Mandarin 2230 GMT 4 Sep 86

[Text] Yesterday afternoon provincial party committee Secretary Yin Kesheng and responsible comrades of the Propaganda Department of the provincial party committee and the provincial Education Department went to the Qinghai Nationalities College to visit the staff members and teachers.

Yin Kesheng first visited the campus and students' dormitories. Then he had a discussion with leaders and some staff members and teachers of the college. On behalf of the provincial party committee and government, Ying Kesheng extended holiday greetings to all the staff members and teachers who have worked hard to cultivate minority nationality college students. Yin Kesheng said that under difficult conditions, the Qinghai Nationalities College has cultivated a large number of talented people from minority nationalities by proceeding from reality, making some contributions to the development of nationalities education in the province. Yin Kesheng hoped that the staff members and teachers would continue to preserve and consolidate the achievements they have made and make new contributions to developing nationalities education in the province.

Yin Kesheng said that in the future, the Qinghai Nationalities College should reform the contents of disciplines and train qualified minority personnel with various types of professional knowledge.

At the discussion, some professors and lecturers gave their opinions on elementary education and nationalities education in the province and problems at the college.

Yesterday morning, provincial party committee Deputy Secretary (Lu Shengdao) went to the provincial agriculture and forestry school and the Xining No 4 Middle School to visit staff members and teachers at the two schools.

S. AFRICA TO STRENGTHEN COOPERATION WITH TAIWAN

OW080427 Taipei CNA in English 0303 GMT 8 Sep 86

[Text] Taipei, Sept. 7 (CNA) -- South Africa will continue to counter the international pressure brought against the country for its racial problem but it will also seek mutual understanding through more communications, South African Minister of Foreign Affairs R.F. Botha said in Taipei Sunday.

South Africa cannot surrender to the economic pressures being brought against it, he stressed. If the government gave up to these pressures, it would mean the end of the government, he said. But all the pressure has resulted from the distorted views of and charges by foreigners against the South African Government, he noted while meeting domestic reporters informally at the Grand Hotel Sunday.

Botha said his government expects to strengthen economic, trade and technological cooperation with the Republic of China [ROC]. The two nations should also work closely in the international community to improve the well-being of their peoples, he said.

South Africa is not the only nation bearing such international pressure. The Republic of China and Israel are also facing various pressures from outside. But the situation in South Africa has been much more distorted than those in the other two countries, especially because many European mass media workers have often played up some incidents and violence in South Africa to make readers misunderstand, he said.

Facing increasing international economic sanctions, the South African Government hopes to do more communications with foreign countries to learn their real intention, the minister said. Such sanctions have greatly hurt the neighboring countries of South Africa and also the livelihood of the blacks there, he pointed out. South Africa itself has a sound economic foundation and its foreign trade is running smoothly. Many of its mineral products and raw industrial materials are needed by Western countries. If they lost the RSA [Republic of South Africa] as a source of supply, they would pay much higher prices to buy from other countries, including even the Soviet Union, he said.

The South African Government has adopted a series of political reforms to grant equal rights to non-white people and such gradual steps will help stabilize the situation in his country, Botha said. He said his Asian tour is aimed at interpreting to Asian governments South Africa's concrete actions in resolving the racial problem and various reforms. During his visit in Japan, he said he had full communications with Japanese leaders.

He said that he has learned much about various developments in this country, and he will talk with Chinese leaders about those problems that greatly concern the two nations. Talking about the life of Overseas Chinese in South Africa, he highly praised their contributions to his country's development. They are respectful people, he said, adding the government will continue to take care of them through legal and political measures.

He said the achievements in the Republic of China result from the people's hard work and they should hold these achievements in high esteem. The people of the ROC should absolutely not give themselves up to outside challenges, he urged.

DEFENSE MINISTRY ON PRC INTELLIGENCE OFFICIAL

OW040619 Taipei International Service in English 0200 GMT 4 Sep 86

[Text] Government sources on Wednesday morning neither denied nor confirmed a foreign wire report that a senior Chinese Communist intelligence official might have defected to Taipei. Spokesman for the ROC's [Republic of China] Ministry Maj Gen Chang Hui-yuan said: We had nothing about this matter.

AGENCE FRANCE PRESSE reported from Peking on Tuesday that Yu Zhensan, a senior Chinese Communist intelligence official escaped from Mainland China to a western nation in January this year.

The report said that according to one account of the story, Yu was believed to be in Taiwan. Yu's escape was decribed as a heavy blow to Peking's overseas espionage network. The report said that Yu was the highest ranking intelligence officer known to have defected to the West since 1949. Yu had been upgraded as director of foreign affairs for Peking's State Security Ministry before he defected.

Editorial Comments on Defection

OW060507 Taipei CNA in English 0244 GMT 6 Sep 86

["Editorial: Spy Defection Case Exposes Crises of Peiping Regime" -- CNA headline]

[Text] Taipei, Sept. 5 (CNA) -- A Taipei newspaper said a ranking Chinese Communist intelligence chief's seeking freedom in a Western nation in January this year has not only undermined the Peiping regime's global intelligence network but also exposed serious crises of the regime.

The CENTRAL DAILY NEWS, in an editorial Friday, said Yu Chen-san, director of the Red Chinese "State Security Ministry's Foreign Affairs Bureau," is probably the highest ranking communist spy who has sought freedom in the West over the past 30 years.

Yu's defection is of great significance to the free world because of the sensitivity of Yu's previous job, the paper said. Because of his special family background and past experiences, Yu was considered a rising star in the Chinese communist regime and was handpicked by Teng Hsiao-ping from "leaders of the third echelon" to strengthen the rule of Teng's faction, it said.

Teng likely never suspected that one of his confidants would betray the communist rule when he appointed many of the younger generation to important posts including a security head over the past year, and such an incident must have had a tremendous impact on Teng's faction, the paper said.

An AFP reporter discovered this incident in Peiping six months after Yu fled the China Mainland, and this indicates that some high level Chinese communist personnel intentionally disclosed Yu's defection to the foreign press in order to deal a blow to another faction.

This incident also exposes the so-called "confidants of the third echelon" as untrustworthy and likely to seek every opportunity available to seek freedom. Yu is only one of many younger Chinese communist officials who have taken overt actions to show their resentment of Peiping, the paper said.

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U.S. LAWS 'ADVERSELY AFFECT' TRADE TIES

OW091012 Beijing XINHUA in English 0950 GMT 9 Sep 86

[Text] Washington, September 8 (XINHUA) -- China's ambassador to the United States Han Xu today expressed his "great concern" about the restrictiveness of U.S. trade laws and policies that are applied to China.

Unless those laws and policies are properly addressed, he warned, they "would more adversely affect China-U.S. bilateral trade by unfairly restricting China's exports to the U.S. market."

In a letter to U.S. trade representative Clayton Yeutter, Commerce Secretary Malcolm Baldrige, Secretary of State George Shultz, Treasury Secretary James Baker, and other members of the Reagan administration, the Chinese ambassador wrote, "Certain tendencies in U.S. trade policies are inconsistent with the U.S. Government's repeatedly stated support for free and fair trade and with its commitments made in the bilateral trade agreement with China".

He quoted the agreement itself which says that the agreement provides both parties shall accord each other "treatment no less favorable than is afforded to any third country or region" and shall take into consideration in the handling of their bilateral trade relations, that China is a developing country.

The ambassador's letter was also addressed to Republican and Democratic leaders of both chambers of the Congress, and members of related Congressional standing committees. The House of Representatives has proposed to amend Section 406 of the U.S. Trade Act of 1974 to allow petitioners to single out countries classified as non-market economies and subject them to import relief actions, under standards that are not applied to other countries.

If their exports to the U.S. are increasing, Han said, it is "particularly unfair to China because in essence, China's trade with the United States has just started from almost scratch. The fact that China is a late-comer to the U.S. market is often neglected when the United States imposes restraints of various kinds on China's exports.

"Another dangerous threat to China's export is the U.S. anti-dumping law and its proposed changes," Han Xu said, "In handling anti-dumping cases against China, the United States currently treats China dogmatically as a non-market economy.

"China's low but fairly priced exports are under the constant threat of anti-dumping petitions. To avoid that threat, China is forced to artificially inflate its prices and its access to the U.S. market is, therefore, unfairly restricted," he added.

The ambassador noted, "We are particularly opposed to using the U.S. average import price as a benchmark, because its effect would be to severely cut China's competitive advantages such as low cost labor and raw materials."

Since 1972, China has run up a large cumulative trade deficit with the United States, he continued. Although the growth rate of some Chinese exports to the U.S. seems high, their total volume is small. "Since China's ability to import depends on its ability to export, any barrier to China's exports to the U.S. market will inevitably result in a decrease in our imports from the United States," he said.

In conclusion, Ambassador Han expressed the hope that any legislation harmful to the interests of the Chinese and American peoples would be withdrawn and an environment conducive to more extensive bilateral economic and trade relations could be fostered.

RENMIN RIBAO ON FREEDOM IN UNITED STATES

HK050441 Beijing RENMIN RIBAO in Chinese 2 Sep 86 p 7

["Random Notes" by Sai Bei: "Limits"]

[Excerpt] [Passage omitted] Everybody knows how scandalous "homosexuality" is. The Chinese consider it an embarrassing topic but some people in the United States deem it a natural "right" in which nobody can interfere. In some big cities, "gay clubs" and "gay bathrooms" openly offer services to these people. The United States is a country founded on the basis of "freedom," where all people stress and demand "freedom." It is absolutely a "private matter" or "freedom" for a person to have a sexual relationship with another, which brooks no intervention. In the first half of this year, when a policeman was at the point of arresting a criminal offender, he discovered that the man was performing "homosexual" acts with another man. He arrested both of them. As a result, he was accused of violating human rights. The final court decision was: "Homosexuality" is an "immoral" act and the policeman was not found guilty. It was the first case in American history which legally decided the immorality of "homosexuality." The sentence set off demonstrations by many "gays," who took to the streets, holding placards. Nevertheless, because "homosexuality" has brought out AIDS [Acquired Immune Deficiency Syndrome"), these "gays" cannot but pull in their horns to some extent in order to save their lives.

This sets me thinking: Numerous originally good things in the world, such as "freedom," have certain limits. If they exceed this limit, they will change into their opposites. Over the past 2 centuries or so, protected by two oceans externally and provided with sufficient room for development internally, the United States has developed "freedom" to the extreme limits. Following changes in the international and U.S. domestic situations, "freedom" has gradually become incompatible with the interests of the U.S. state security today. The U.S. court decision on "homosexuality" shows a trend deserving people's attention.

TALYZIN, DELEGATION CONTINUE VISIT TO PRC

Yao Yilin Hosts Banquet

OW081749 Beijing XINHUA Domestic Service in Chinese 1312 GMT 8 Sep 86

[Text] Beijing, 8 Sep 86 (XINHUA) -- Speaking at a banquet in honor of Nikolay Vladimirovich Talyzin, first deputy chairman of the USSR Council of Ministers and chairman of the State Planning Commission, and his entourage in the Great Hall of the People tonight, Yao Yilin, vice premier of the State Council, said: China and the Soviet Union are neighbors. Now it is the 1980's, and neither of us can return to the past. Our two countries have reason to become, and should become, neighbors living in good-neighborliness.

Economically, Yao Yilin said, China and the Soviet Union can supply each other's needs and supplement each other in the interest of developing their construction. This, in turn, is conducive to the expansion and deepening of their economic and trade relations. He added: China also sincerely hopes that the obstacles in their political relations will be overcome so as to normalize their relations. This not only accords with the fundamental interests of the peoples of the two countreis and serves their own country's construction, but also helps maintain peace in Asia and the rest of the world. Yao Yilin said: In the past 2 years, there have been increased contacts between our two countries. In particular, through their joint efforts, fairly rapid progress has been made in cooperation between the two countries in the economic, trade, scientific, and technological fields. The people of the two countries are pleased with this. However, what we have done is still quite incommensurate with the great potentials of our two countries, the two big neighbors. We wish to expand our cooperation with the Soviet Union in these fields on the basis of equality and mutual benefit. Yao Yilin reiterated that it is one of China's basic policies to establish, maintain, and develop, on the basis of the five principles of peaceful coexistence, good relations with all countries in the world, including the Soviet Union. He said: Traditional friendship exists between the Chinese and Soviet peoples. The Chinese people always cherish their friendly feelings toward the Soviet people. The on-going economic and social reforms being carried out in the Soviet Union have attracted widespread attention from our people. We sincerely hope that your reforms will succeed. Our country has engaged in economic reform for some time and will embark on the reform of its political system. I think that it is beneficial to both sides to exchange experience and views about the course of reforms.

In his speech, Talyzin said: Contacts between prominent figures of both state and political affairs on the Soviet and Chinese sides, and their frank and businesslike discussions, have been increasingly becoming a practice in the relations between the two countries. This has led to still more energetic efforts to find ways and means of expanding bilateral trade to their mutual benefit. As a result of the efforts made by both sides, the process of improving Soviet-Chinese relations is developing. After giving an account of the economic achievements of the Soviet people, Talyzin said: The recent more energetic growth of Soviet-Chinese economic ties is an indication of the interest shown by both sides in furthering their cooperation. For this, both have a lot of objective possibilities.

In conclusion, Talyzin said: Developing cooperation between the Soviet Union and China on the basis of equality and mutual benefit is in their fundamental interests and will promote the improvement of the international situation. Song Ping, state councillor and minister in charge of the State Planning Commission, was among those present at the banquet.

Talyzin arrived in Bejing this morning by special plane to begin a visit to China at the invitation of the Chinese Government. He was met at the airport by Yao Yilin and others. At the airport, Talyzin issued a written speech to reporters. He said: We wish to exchange views with the Chinese side on questions that are of interest to both. He added: During our visit, we intend to acquire a further understanding of the efforts made by the Chinese people to fulfill the task of modernizing the country and building a socialist society.

Talks With Yao Yilin

OW090846 Beijing XINHUA Domestic Service in Chinese 0648 GMT 9 Sep 86

[Text] Beijing, 9 Sep (XINHUA) -- Yao Yilin, vice premier of the State Council, and Nikolay Vladimirovich Talyzin, first deputy chairman of the USSR Council of Ministers and chairman of the Soviet State Planning Commission, held talks at the Great Hall of the People this morning. The talks lasted nearly 4 hours. It was disclosed that Yao Yilin and Talyzin briefed each other on the economic development and reform in their respective countries. They held constructive talks concerning bilateral trade and expansion of economic cooperation between the two countries.

Talyzin said that the Soviet side attaches great importance to developing cooperation with China and strives to burther improve bilateral relations so that China and the Soviet Union and become good neighbors. Noting the strong potential for bilateral trade and economic cooperation, he said that the two countries may conduct trade and economic cooperation under new conditions. He also put forward a number of concrete proposals for expanding bilateral trade.

Yao Yilin said that trade, economic, scientific and technological, and cultural cooperation between China and the Soviet Union have grown over the past year or so, but noted that despite the rapid pace in bilateral trade and economic cooperation, its scale remained relatively small. Yao Yilin also suggested strengthening economic cooperation between the two countries.

Attending the talks from the Chinese side were Song Ping, minister in charge of the State Planning Commission, and officials from the Ministry of Foreign Affairs, the State Scientific and Technological Commission, and the Ministries of Foreign Economic Relations and Trade, Water Resources and Electric Power, and Forestry.

Present at the talks from the Soviet side were officials from the State Commission for Foreign Economic Relations, the Ministry of Timber, Pulp and paper, and Wood Processing Industry, the Ministry of Foreign Affairs, the Ministry of Foreign Trade, the State Commission for Science and Technology, and the Ministry of Power Machine Building.

PRC SPOKESMAN CALLS FOR SOVIET TROOP WITHDRAWALS

HK090938 Hong Kong AFP in English 0834 GMT 9 Sep 86

[Excerpts] Beijing, Sep 9 (AFP) -- China has called for the early and complete withdrawal of Soviet troops from Afghanistan and Mongolia, in statements seen by analysts here as a reassertion of Beijing's initiative following Moscow's recent diplomatic offensive. In successive statements to AGENCE FRANCE-PRESSE on Monday and Tuesday a spokesman for the Chinese Foreign Ministry urged complete withdrawal of the Soviet troops from the two countries at the early date.

"The Soviet troops stationed in the People's Republic of Mongolia and the large numbers of Soviet troops deployed along the Sino-Soviet border constitute a threat to Chinese security and is one of the three main obstacles to the normalization of Sino-Soviet relations," a Foreign Ministry spokesman said Tuesday. "The complete withdrawal of the troops from Mongolia at an early date by the Soviet Union would not only be helpful to the improvement of the Sino-Soviet relations and beneficial to the people's of the Soviet Union and Mongolia themselves but also conducive to the peace and stability in the region," he said.

In a separate statement Monday the spokesman had said that the key to a political solution in Afghanistan was a "complete withdrawal of the troops by the Soviet Union at an early date." [passage omitted]

TA KUNG PAO ON TOP-LEVEL PRC-USSR MEETING

HK090653 Hong Kong TA KUNG PAO in Chinese 9 Sep 86 p 2

["Special feature" by Beijing correspondent Kung Shuang-yin: "Can a High-level Sino-Soviet Meeting Take Place?"]

[Text] The 82-year-old Deng Xiaoping issued a call from Beijing: If the Soviet Union will stop helping Vietnam in its invasion and occupation of Cambodia and will remove the major obstacle in Sino-Soviet relations, he will make an exception in going to any place in the Soviet Union for a meeting with Gorbachev.

In his speech at Vladivostok on 28 July, Gorbachev said that the Soviet Union was willing to hold talks with China at any level. For this reason, people said that Deng Xiaoping made this remark on 2 September in reply to Gorbachev's speech on 28 July.

It Was Not the First Time That Deng Xiaoping Had Made This Remark

However, sources close to diplomatic circles disclosed that it was not the first time that Deng Xiaoping had made the above-mentioned remark. When Romanian President Nicolae Ceausescu visited Beijing last September, Deng Xiaoping expressed this wish to Gorbachev through him. On that occasion, Deng Xiaoping said: If the Soviet Union is willing to remove this major obstacle, "I or Hu Yaobang will go to the Soviet Union for a meeting with Gorbachev."

Therefore, it should be said that Gorbachev made the speech on 28 July in reply to Deng Xiaoping's remark last September.

Since 1982 the deputy foreign ministers of China and the Soviet Union have held eight rounds of long drawn-out negotiations. The main topic of discussion is the normalization of relations between the two countries. The Chinese side has consistently insisted that it is necessary to remove the three major obstacles to the normalization of relations between the two countries: 1) The Soviet Union should stop supporting Vietnam in its invasion of Cambodia; 2) it should withdraw its troops from Afghanistan; and 3) it should withdraw its troops from the Sino-Soviet border and Mongolia. On the pretext of not infringing upon the interests of a third country, the Soviet Union has consistently avoided discussing the issues which threaten China's security.

At the fifth round of talks held in September 1984, China's Vice Minister of Foreign Affairs Qian Qichen pointed out: The Soviet side proposes that improvements in relations should not infringe upon the interests of a third country. [paragraph continues]

In our view, it is not precise to cite this as a principle. We should say that improvements in relations should not infringe upon the interests of all third countries. Vietnam is a third country whose interests should not be infringed upon; Laos is a third country whose interests should not be infringed upon; Cambodia is a third country whose interests should not be infringed upon; the ASEAN countries are third countries whose interests should not be infringed upon. China does not want to infringe upon the interests of any third country. In Soviet relations with other countries, China is also a third country whose interests should not be infringed upon. The Soviet Union has stationed a large number of troops in Mongolia and constantly carried out military exercises with China as the imaginary enemy. The Soviet Union has invaded and occupied Afghanistan, threatening the security of China as a third country. In particular, by supporting Vietnam in its invasion of Cambodia nd opposing China the Soviet Union has subjected to harm a series of third countries, including not only China but also Thailand and other ASEAN countries, while the third country which has been most directly and seriously hurt is Cambodia. Being unable to advance any further arguments to justify itself, the Soviet side says that it is China's "strange logic."

The Three Major Obstacles Must Be Removed

When meeting foreign guests, Deng Xiaoping pointed out on many occasions that if the three major obstacles cannot be removed all at once, the Soviet Union can start by removing the main obstacle. He also indicated that China and the Soviet Union are neighbors and that the three major obstacles do not hinder the improvement and expansion of bilateral realtions in a number of fields. In fact, the economic relations and trade between the two countries have been developing year after year and scientific, technological, and cultural exchanges have been increasing continuously. Exchanges in the political field have also started to increase. However, the CPC leader repeatedly stated that in order to genuinely achieve normalization of relations between the two countries, it is essential to remove the three major obstacles.

Since he came to power last March, Gorbachev has also made some adjustments in the Soviet China policy. In his 28 July speech, he began touching upon the question of the three major obstacles raised by China. He indicated that the Soviet Union will probably withdraw some of its troops from China's neighboring country Mongolia; it is ready to discuss with China specific measures for appropriately reducing the level of ground forces; and, while advocating an expanded scale of cooperation between the Soviet Union and China, it has revised its former view on defining the official alignment of the boundary line between the two countries.

The Soviet Union Has Not Taken a Big Step

Gorbachev's speech received an immediate response from the Chinese side. A spokesman for the Ministry of Foreign Affairs said: "He has said something new on improving Sino-Soviet relations which has not been touched upon before." Deng Xiaoping also said: There is something new in his speech and, therefore, we have cautiously welcomed the new, positive elements in it. However, Gorbachev's speech also shows that he has not taken a big step.

Deng Xiaoping pointed out that in his speech Gorbachev evaded the principal one of the three major obstacles.

It should be said that from evading the three major obstacles to evading the main obstacle the Soviet Union has taken a step forward. This step forward will not be capable of normalizing Sino-Soviet relations. Will Gorbachev take a big step forward and bring about a high-level Sino-Soviet meeting? People are not optimistic about this.

PRC DELEGATE ADDRESSES PYONGYANG PEACE CONFERENCE

OW071336 Beijing XINHUA in English 1156 GMT 7 Sep 86

[Text] Pyongyang, September 7 (XINHUA) -- China has always advocated that the issue of the reunification of Korea be solved by the Koreans themselves without external interference and also hopes the North-South dialogue will continue, a Chinese official said today.

Deng Zhaoxiang, leader of the Chinese delegation to the three-day "Pyongyang International Conference for Denuclearization and Peace on the Korean Peninsula" insisted that the Chinese people are true friends of the Korean people and have consistently supported the Korean Government and people in their reasonable proposals for maintaining peace and security on the Korean Peninsula.

Deng, vice-chairman of the Central Committee of the Chinese People's Political Consultative Conference, said the Korean issue has been a noticeable problem for a long time and the situation on the peninsula is sometimes relaxed and sometimes tense. In the more than 33 years since the armistice agreement was signed in July 1953, North and South Korea have failed to substitute that agreement with a true peace and the United States has stationed many troops and deployed nuclear weapons in South Korea, Deng said. Those U.S. troops and weapons should be withdrawn from South Korea, he added.

The Chinese delegate said he feels that with the support of peace-loving and justice-upholding people worldwide the Korean people will eventually be peacefully reunited.

Deng also briefed the conference on China's efforts to maintain peace and support disarmament, saying Chinese defense spending has been cut substantially. China has cut 1 million troops from its army in the past two years, he noted.

Reiterates Support

OW090148 Beijing XINHUA in English 1822 GMT 8 Sep 86

[Text] Pyongyang, September 8 (XINHUA) -- The three-day Pyongyang international conference for denuclearisation and peace on the Korean Peninsula closed here today with a declaration containing seven proposals.

The declaration stressed the principles of banning the testing, production and stockpiling of nuclear weapons and the setting up of foreign military bases and the stationing of troops on the Korean Peninsula.

It also proposed that in order to relax the tension on the peninsula, the 24th Olympic Games should be held jointly by the South and the North.

Delegates from 80 countries took part in the conference which began on September 6.

The leader of the Chinese delegation Deng Zhaoxiang, vice chairman of the Chinese People's Political Consultative Conference, reiterated China's support for the struggle of the Korean party and government at the meeting.

PYONGYANG DELEGATION ARRIVES IN BEIJING

SK050232 Beijing BEIJING RIBAO in Chinese 27 Aug 86 p 3

[Text] On its way of visiting foreign countries, the five-member friendship delegation from Pyongyang City, the DPRK, headed by Kang Hui-won, chairman of the Administrative and Economic Guidance Committee of Pyongyang City, arrived in Beijing on the morning of 26 August for a brief stopover. Han Boping, vice mayor of Beijing Municipality, met the Korean comrades-in-arms at the airport on behalf of Mayor Chen Xitong. That afternoon, Vice Mayors Han Boping and Feng Mingwei cordially received Chairman Kang Hui-won at the municipal government office.

That evening, Vice Major Han Boping hosted a banquet in honor of Chairman Kang Hui-won and his entourage. Feng Mingwei and Kim Chang-kyu, charge d'affaires ad interim of the Korean Embassy in China, attended the banquet.

CELEBRATION OF DPRK NATIONAL DAY CONTINUES

OK041219 Beijing XINUA in English 1129 GMT 4 Sep 86

[Text] Beijing, September 4 (XINHUA) -- The 38th anniversary of the founding of the Democratic People's Republic of Korea, September 9, was marked at a reception here today.

The reception was given by the Chinese People's Association for Friendship with Foreign Countries (CPAFFC) and the China-Korea Friendship Association.

Among those present were Chen Zaidao, vice-chairman of the national committee of the Chinese People's Political Consultative Conference, officials of other relevant departments, Korean ambassador to China Sin In-ha and diplomats of the Korean Embassy here.

Huang Shiming, vice-president of the CPAFFC, and the Korean ambassador spoke at the reception. They highly praised the profound friendship existing between China and Korea, and expressed their hope for continued growth and strengthening of the friendship.

Beijing Film Show

OW051422 Beijing XINHUA in English 13465 GMT 5 Sep 86

[Text] Beijing, September 5 (XINHUA) -- The Ministry of Radio, Film and Telvision held a film reception this afternoon at the Capital Theatre to mark the 38th anniversary of the national day of the Democratic People's Republic of Korea. A Korean feature film, "Love, Love, My Love", was shown.

Ding Qiao, deputy minister of Radio, Film and Television and Korean Ambassador to China Sin In-ha and others were present at the reception.

Envoy's Reception

OW081222 Beijing XINHUA in English 1122 GMT 8 Sep 86

[Text] Beijing, September 8 (XINHUA) -- Sin In-ha, ambassador of the Democratic People's Republic of Korea (DPRK) to China, gave a film reception at the embassy here this afternoon to mark the 38th anniversary of the DPRK national day.

Among those present were Hu Qili, member of the Political Bureau and Secretariat of the Chinese Communist Party (CPC) Central Committee, and Wu Xueqian, member of the Political Bureau of the CPC Central Committee, state councillor and foreign minister.

A Korean documentary introducing a large sluice project at Nampo was shown during the reception.

Pyongyang Meeting

OW090102 Beijing XINHUA in English 1809 GMT 8 Sep 86

[Text] Pyongyang, September 8 (XINHUA) -- About 6,000 people held a meeting here today to celebrate the 38th national day of the Democratic People's Republic of Korea (DPRK).

Yon Hyong-muk, vice premier of the Administration Council made a speech at the meeting. He stated that the DPRK has made great political and economic achievements since its founding.

Yon declared that the North will not "launch an attack on the South" under any circumstances or impose the socialist system on the South. The setting up of the Democratic Confederal Republic of Koryo is an equitable scheme to realize the peaceful unification of Korea, he stressed.

He urges the United States and the South Korean authorities to revew the North-South dialogue in order to relax the tension on the Korean Peninsula.

DPRK party and government leaders Yim Chun-chu, Yi Chong-ok and Kang Song-san also took part in the meeting. The Democratic People's Republic of Korea was founded on September 9, 1948.

JILIN DELEGATION RETURNS FROM DPRK 7 SEP

SK080216 Changchun Jilin Provincial Service in Mandarin 2100 GMT 7 Sep 86

[Text] The Jilin Provincial CPC Committee delegation with Gao Di, member of the CPC Central Committee and secretary of the provincial party committee, as its leader and Li Dezhu, alternate member of the CPC Central Committee, Standing Committee member of the provincial party committee and secretary of the Yanbian Chaoxian Autonomous Prefectural CPC Committee, as its deputy leader satisfactorily wound up its visit to the Northg Hamgyong Province of Korea, left for home via Dandong on 6 September, and arrived in Changchun by train on the morning of 7 September.

Greeting the delegation at the station were Gao Dezhan, deputy secretary of the provincial party committee and provincial governor; Chen Xingyin, commander of the provincial military district; (Ge Muyun), secretary general of the provincial party committee; (Liu Yongchang), secretary general of the provincial Advisory Commission; Wang Jiatong, deputy secretary of Changchun City Party Committee and mayor of the city; and Yang Peixuan, deputy director of the Foreign Affairs Office of the provincial government.

During its stay in Korea, the delegation visited factories, schools, and scenic spots and historical sites in Chongjin, Kimchaek, Pyongyang, Kaesong, Nampo and Mt Myohyang. Cho Se-ung, alternate member of the Political Bureau of the Central Committee of the Worker's Party of Korea [WPK] and responsible secretary of the North Hamgyong Provincial WKP Committee, and Hwang Chang-yop, secretary of the Secretariat of the WPK Central Committee, met with and feted all the comrades of the delegation in Chongjin and Pyongyang, respectively.

YOUTH DELEGATION CONCLUDES VISIT TO DPRK

OW021244 Beijing XINHUA in English 1221 GMT 2 Sep 86

[Text] Pyongyang, September 2 (XINHUA) -- The Chinese youth delegation left for home today after a two-week visit to the Democratic People's Republic of Korea.

The 206-member delegation led by Song Defu, first secretary of the Central Committee of the Chinese Communist Youth League visited seven provinces and cities, where they met more than 30,000 young people.

At a farewell party, Song Defu and Choe Nam-hae, chairman of the Socialist Working Youth League of Korea, expressed their conviction that the visit has contributed much to the development of friendship between the youths of the two countries.

During their stay in this country, the Chinese guests were received by Kim Il-song, president of the DPRK and general secretary of the Workers Party of Korea, on August 26 in a very cordial atmosphere.

NEW DPRK CONSULATE GENERAL OPENS IN SHENYANG

OW061557 Beijing XINHUA in English 1403 GMT 6 Sep 86

[Text] Shenyang, September 6 (XINHUA) -- A consulate general of the Democratic People's Republic of Korea stationed in Shenyang opened here today.

Consul General Yu Man-bok gave a reception for the opening. Deputy governor Bai Lichen of Liaoning Province attended the reception.

Since serving his post August 28 Yu Man-bok has called on the governments of Liaoning Province and Shenyang City.

EXPERTS AWARDED MEDALS BY DPRK GOVERNMENT

OW041652 Beijing XINHUA in English 1502 GMT 4 Sep 86

[Text] Pyongyang, September 4 (XINHUA) -- More than 180 Chinese technical experts were awarded medals today by the Government of the Democratic People's Republic of Korea for their good work in the country.

Korean Vice President Yim Chun-chu presented a first-class "National Flag" Medal to Tian Xishan, head of the Chinese team, and 183 first- and second-class friendship medals to the Chinese technicians in accordance with a decree signed by President Kim Il-song.

Yim Chun-chu said that Chinese technical experts, away from their motherland, have come to Korea to help in its socialist construction and have made contributions to the strengthening of friendship between the two countries. The Korean people will remember this forever, he said.

The Korean people treasure such friendship and consider it their noble obligations to carry on and develop such friendship, he said.

TRADE AGREEMENT FOR 1987-91 SIGNED WITH DPRK

OW081206 Beijing XINHUA IN English 1502 GMT 8 Sep 86

[Text] Beijing, September 8 (XINHUA) -- A 1987-1991 agreement concerning the mutual supply of major commodities between the governments of China and the Democratic People's Republic of Korea (DPRK) was signed here today.

According to the agreement, China will provide the DPRK with coking coal, gypsum, crude oil and tyres while the DPRK will supply to China anthracite, cement, steel plate and other goods.

Zheng Tuobin, Chinese minister of foreign economic relations and trade, ahd Chui Zeng Gen, the DPRK foreign trade minister, signed the agreement on behalf of their respective governments.

The two ministers had a friendly talk before the signing of the agreement. They expressed the hope for the expansion of bilateral economic and trade cooperations.

YANG DEZHI MEETS JAPANESE FORMER DEFENSE OFFICIAL

OW051142 Beijing XINHUA in English 1124 GMT 5 Sep 86

[Text] Beijing, September 5 (XINHUA) -- Yang Dezhi, chief of the General Staff of the Chinese People's Liberation Army, met and had a friendly talk with Motoharu Arima, Japanese Diet member and former parliamentary vice-premier of Defence Agency, and his party here today.

Yang is also honorary chairman of the Chinese Mountaineering Association.

Arima who is also adviser to the Defence Academy Alpine Club arrived here yesterday at the invitation of the Chinese Mountaineering Association.

WANG ZHAOGUO MEETS JAPANESE YOUTH DELEGATION

OW061338 Beijing XINHUA in English 1334 GMT 6 Sep 86

[Text] Beijing, September 6 (XINHUA) -- Wang Zhaoguo, member of the Secretariat of the Chinese Communist Party Central Committee, met a youth delegation from Japan's Komei Party led by its Chief of Youth Bureau Hiroshi Tsiruoka here this afternoon.

Wang is also China's chief representative of the 21st Century Committee for China-Japan Friendship.

The All-China Youth Federation gave a dinner for the delegation this evening. Chairman Liu Yandong of the federation was present on the occasion.

The Japanese visitors arrived here yesterday. After their Beijing visit, they will tour Guangzhou, Shenzhen and Shanghai.

HUANG HUA MEETS KYUSHU FRIENDSHIP DELEGATION

OW091036 Beijing XINHUA in English 1027 GMT 9 Sep 86

[Text] Beijing, September 9 (XINHUA) -- Huang Hua, vice-chairman of China's National People's Congress Standing Committee, met here today the 13th Japan-China Friendship Boat delegation from Kyushu of Japan led by Tokuzen Koja, deputy governor of Okinawa Prefecture.

FRIENDSHIP DELEGATION DEPARTS FOR MONGOLIA

OW061150 Beijing XINHUA in English 0959 GMT 6 Sep 86

[Text] Beijing, September 6 (XINHUA) -- A delegation from the China-Mongolia Friendship Association led by its president Zhang Weilie left here today on a goodwill visit to the Mongolian People's Republic at the invitation of the Mongolia-China Friendship Association.

CONTINUING REPORTAGE ON SIHANOUK VISIT

Zhao Ziyang Banquet Speech

BK091001 Beijing in Cambodian to Cambodia 1030 GMT 8 Sep 86

[Zhao Ziyang speech at 7 September banquet for CGDK delegation led by Samdech Norodom Sihanouk held at the Great Hall of the People in Beijing -- recorded, Mandarin fading into Cambodian translation]

[Text] Esteemed Samdech Norodom Sihanouk, president of Democratic Kampuchea, and madame; esteemed Excellency Son Sann, prime minister of the CGDK; esteemed Excellency Khieu Samphan, vice president of Democratic Kampuchea; comrades and friends: The Democratic Kampuchean delegation, led by Democratic Kampuchean President Samdech Norodom Sihanouk as its chairman and Prime Minister Son Sann and Vice president Khieu Samphan as its vice chairmen, has come to pay an official friendly visit to our country by invitation. It has conveyed to us the deepest feelings of friendship and news of the new victories from the Cambodian people. We are very happy with and encouraged by this news.

On behalf of the PRC Government and the Chinese people, I would like to extend a warm welcome and highest regards to the glorious envoys of the Cambodian people. Nearly a year has elapsed since the last visit to China by the Democratic Kampuchean delegation. During this period, the tripartite patriotic armed forces under the CGDK leadership have coordinated their activities and fought actively and effectively against the enemies. With the people's support, they have effectively carried out a guerrilla war, thus smashing the abject plan of the Vietnamese aggressor troops in Cambodia which aimed to seal off the Cambodian-Thai border and to conduct operations in the interior of Cambodia. The Cambodian resistance forces have recorded new victories in the fight during the eighth dry season.

At the same time, the CGDK has made satisfactory successes in political and diplomatic fields. The most notable point is that at its cabinet meeting held in March this year under the chairmanship of Samdech Sihanouk, the CGDK put forward the 8-point proposal for a political solution of the Cambodian problem. This proposal is a practical and feasible plan for settling the Cambodian problem fairly and rationally. The 8-point proposal once again defines that Cambodia in the future will be an independent, peaceful, neutral, and nonaligned country. This is a voice emanating from the hearts of the 7 million Cambodians. This important decision made by the CGDK on the basis of summing up the Cambodian people's experiences and tallying up the struggles with the situation in Cambodia is totally correct. Settling the Cambodian problem on the basis of this proposal will benefit peace and stability in Southeast Asia and the Asia-Pacific region and is in accord with the interests of the peoples in Indochina, as well as the aspirations of the peoples in Southeast Asia and the whole world. China sincerely hopes to see Cambodia become an indpendent, peaceful, neutral, and nonaligned country. We support the establishment of a quadripartite government of natioinal concord and unity headed by Samdech Sihanouk following the total withdrawal of Vietnamese troops from Cambodia. We oppose any party in Cambodia solely holding power and the exclusion from power of any party of the CGDK.

Recently, Samdech Sihanouk visited Singapore, Thailand, Indonesia, and Malaysia. This visit has enhanced the friendship and cooperation between Democratic Kampuchea and the ASEAN nations and displayed to the world community the CGDK's sincerity to reach a political settlement of the Cambodian problem and the Cambodian resistance forces' determination to further enhance their unity and to fight on against the Vietnamese aggressors. We warmly greet the satisfactory success of Samdech Sihanouk's visit to the four ASEAN countries.

The heroic Cambodian people have waged a just war to liberate their nation from the Vietnamese aggressors for the past nearly 8 years. In fact, the attempt to suppress the Cambodian nation through the use of arms and the political schemes to split the anti-Vietnamese resistance forces have all failed. The so-called irreversible situation in Cambodia is nothing but an insane, delusive assertion. What is really irreversible is the Cambodian people's determination to fight against the Vietnamese aggression and save their nation, and the historic development that the aggressor will certainly be defeated and the Cambodian people will definitely be victorious.

The Vietnamese authorities' 8-year war of aggression has brought great misery to the Vietnamese people. The only way out is for the Vietnamese authorities to immediately withdraw all their aggressor troops from Cambodia and quickly end this unjust war. The Vietnamese authorities' stubborn rejection of the CGDK's 8-point proposal only shows that until now the Vietnamese authorities lacked the sincerity to solve the Cambodian problem through political means. The future is bleak for the Vietnamese authorities if they stubbornly carry on their acts of aggression and expansion because these will only increase the difficulties in Vietnam and make the Cambodian and Vietnamese peoples suffer even more.

Friends, although your struggle will continue to be difficult, you will not be fighting alone, because you have support from the vast number of people and the international community. While inspecting the bases of the anti-Vietnamese resistance forces inside Cambodia recently, Samdech Sihanouk said solemnly that Cambodia's anti-Vietnamese forces are men from the same family and that all our patriots from whichever faction will fight on against the Vietnamese aggressors as a single body. The Chinese people vigorously hail this lofty patriotism and firm will to fight of Samdech Sihanouk. The Chinese and Cambodian peoples have a profound traditional friendship with each other. During the just struggle against the Vietnamese aggressors and for national salvation waged by the Cambodian people, this friendship has been constantly strengthened and expanded. The Chinese Government and people will continue to give full support to the Cambodian people's just struggle. We will support you to the end. The victory will certainly belong to the valiant Cambodian people and the peoples of all Southeast Asian countries and other countries who relentlessly struggle for world peace. [applause]

I would like to propose a toast to the great friendship between the Chinese and Cambodian peoples: to the victory of the Cambodian people in their struggle against the aggressors; to the good health of Samdech Norodom Sihanouk and Madame Sihanouk; to the good health of his excellency Prime Minister Son Sann and his excellencey Khieu Samphan; and to the good health of all comrades and friends present here. [applause]

Delegation Attends Cultural Program

OW082205 Beijing XINHUA in English 1433 GMT 8 Sep 86

[Text] Beijing, September 8 (XINHUA) -- A delegation from Democratic Kampuchea headed by its president Samdech Norodom Sihanouk was entertained at a theatrical program specially arranged by the Chinese Ministry of Culture here tonight.

The delegation's deputy heads are Prime Minister Son Sann of the Coalition Government of Democratic Kampuchea and Vice-president Khieu Samphan of Democratic Kampuchea who is in charge of foreign affairs.

The performance tonight included Chinese and Kampuchean music songs and dances as well as songs composed by Sihanouk himself. Madame Sihanouk as well as Ngapoi Ngawang Jigme, vice-chairman of China's National People's Congress standing committee, and Minister of Culture Wang Meng were present at the concert.

Earlier today, the Kampuchean visitors toured the Beijing arts and crafts factory.

Meets Hu Haobang

OW091030 Beijing XINHUA in English 1011 GMT 9 Sep 86

[Text] Beijing, September 9 [XINHUA] -- The Chinese Communist Party leader Hu Yaobang said here today that the struggle of resisting Vietnam and saving the nation carried out by the Kampuchean patriotic armed forces and people is a major world issue concerning principle. He added that "it is a struggle between justice and evil, and between truth and power".

The party general secretary made the remarks when he met the Democratic Kampuchean delegation headed by Samdech Norodom Sihanouk, president of Democratic Kampuchea, and Son Sann, prime minister of the coalition government, and Kieu Samphan, vice-president of Democratic Kampuchea in charge of foreign affairs.

Madame Sihanouk also was on the occasion. [sentence as received]

Hu said, the Chinese Government has no choice but to support unreservedly the struggle of the Kampuchean people to the end.

Hu congratulated the Kampuchean leaders on the new situation in Kampuchea brought about by the struggle of the three patriotic forces of Democratic Kampuchea against the Vietnamese aggressors in the past year.

Although the Vietnamese aggressors have been fighting in Kampuchea for eight years, he said, they have failed to destroy the patriotic forces, which have been growing stronger and stronger. At the same time, the struggle of the Kampuchean people to resist the Vietnamese aggressors and save their nation has won more and more sympathy and support from the international community. "This testifies to an irrefutable truth, i.e., justice is bound to defeat evil and generally acknowledged truth will no doubt triumph over power," he added.

Thanking China for its generous and effective support for the Democratic Kampuchean Amred Forces and people, Sihanouk said such a support has greatly encouraged the patriotic forces and people in their struggle against the Vietnamese aggressors.

The situation in the international diplomatic arena and that in the battle field of Kampuchea, he said, are more favorable to the three patriotic forces and people of Kampuchea this yerar than before. The three patriotic forces, which share weal and woe together, have furthered their unity and cooperation, he added.

On the eight-point proposals for a political solution to the Kampuchean question raised by the Coalition Government of Democratic Kampuchea, Hu Yaobang said, "Just as Prince Sihanouk said, the eight-point proposals are very magnanimous."

Vietnam launched the war against Kampuchea, yet you have indicated not to punish war criminals, not seek war compensation and still hope to establish a good-neighbourhood with Vietnam after the Kampuchea question is resolved."

"The whole world should recognize that these are the most generous proposals," he added.

"On Sino-Vietnamese relations, China is also ready to handle it with a generous manner. So long as Vietnam withdraws all its troops from Kampuchea, we'll bury the hatchet and resume the traditional friendship between the two countries," he stressed.

Wu Xueqian, state councillor and foreign minister, and Wang Meng, minister of culture, attended the meeting. Later, Hu hosted a luncheon in honor of the guests.

Commentary Welcomes Delegation

BK070434 Beijing in Cambodian to Cambodia 1030 GMT 6 Sep 86

[Station correspondent's commentary: "Warm Welcome to the Democratic Kampuchean Delegation Visiting China"]

[Text] Today, 6 September, the Democratic Kampuchean delegation led by DK [Democratic Kampuchea] President Samdech Sihanouk, CGDK Prime Minister Son Sann, and DK Vice President for Foreign Affairs Khieu Samphan arrived in Beijing for an official friendship visit to China.

This is the fourth visit since the formation of the CGDK in 1982. The Chinese Government and people would like to express their warm welcome to the glorious envoys of the heroic Cambodian people who are fighting resolutely against the Vietnamese aggressors. The Chinese people have seen with great joy during the past year that the Cambodian people's struggle has recorded many new victories. The anti-Vietnamese patriotic resistance armed forces of the three Cambodian factions have launched activities against the aggressors deep inside the interior of the country. The patriotic resistance forces have waged their struggle in the areas around the Tonle Sap Lake and Phnom Penh which are defended day and night by a large number of the Vietnamese troops. More Cambodian people living in the zone temporarily controlled by the Vietnamese aggressors, Heng Samrin soldiers, and Phnom Penh administrative officials have become well aware of the true tricky nature of the Vietnamese aggressors and have fled to join the patriotic resistance forces to take part in the struggle to drive all Vietnamese aggressors out of Cambodia.

The cooperation of the three forces -- the patriotic forces, the people, and the patriotic Cambodian soldiers and administrators of the Phnom Penh -- in the fight against the Vietnamese enemies constitutes a new development of great significance in the struggle for national liberation against the Vietnamese aggressors. The victorious offensive launched by the tripartite patriotic resistance forces inside the country was carried out in good harmony with the struggle waged along the western border, thus preventing the Vietnamese aggressors from launching any large-scale offensive along the Cambodian border during the past dry season.

During the past year, the Cambodian people's struggle in the diplomatic field has also been successful. In March of this year, the CGDK held its cabinet meeting in Beijing and set forth an 8-point proposal for a political settlement of the Cambodian problem.

China and more than 50 other countries in the world have warmly welcomed and highly valued this peace proposal and pointed out that this proposal attests to the CGDK's sincere desire to reach a political settlement of the Cambodian problem. In April and June of this year, the ASEAN foreign ministers held two meetings and voiced support for the CGDK's 8-point peace proposal. They have also called on the Vietnamese authorities to thoroughly consider this proposal. But the Vietnamese authorities have rejected this 8-point proposal. In August, the so-called Indochinese foreign ministerial meeting issued a statement once again rejecting this proposal. This clearly shows to the world who really wants to solve the Cambodian problem through political means and who only speaks about a political settlement of the Cambodian problem but in fact wants to occupy Cambodia forever.

With such favorable situations militarily, politically, and diplomatically, there is reason enough for all to be convinced that during the coming 41st UN General Assembly, more countries will support the just struggle of the Cambodian people who demand the total withdrawal of the Vietnamese troops to let them decide their own destiny.

The Cambodian people's struggle against the Vietnamese aggressors has lasted 8 years. It is seen by all that Vietnam will not be able to enslave Cambodia through military force. Although the Cambodian people still face more difficulties and will have to fight for a long time, they will certainly be crowned with final victory.

The peoples of China and Cambodia have had relations with each other for more than a millennium. At present, the peoples of the two countries support and assist each other in national construction and in the struggle to defend their national independence and sovereignty. The Chinese Government and people have repeatedly voiced their support for the Cambodian people's national liberation struggle against the Vietnamese aggressors to the end. They have also stated that the Cambodian problem is one of the three major obstacles to the normalization of relations between China and the Soviet Union and between China and Vietnam.

We are confident that through this visit, the friendly relations between the two peoples of China and Cambodia will certainly be further strengthened and developed.

We wish the DK delegation success in its current visit to China. May the traditional friendship between the peoples of the two countries strengthen further and last forever.

RENMIN RIBAO DISCUSSES CGDK'S 8-POINT PROPOSAL

HK060838 Beijing RENMIN RIBAO in Chinese 6 Sep 86 p 6

[Article by Jiang Yuechun: "Democratic Kampuchea's 8-point Proposal Enjoys Deep Popular Approval"]

[Text] In March this year, to attain an early political settlement of the Cambodian problem, the Coalition Government of Democratic Kampuchea [CGDK] put forward an 8-point peace proposal. This proposal not only demonstrated the sincerity of Democratic Kampuchea for a political settlement of the Cambodian problem but also took full account of Vietnamese face. It is a good proposal for attaining a political settlement of the Cambodian problem and is helpful for stabilizing Southeast Asia and preserving peace in the Asia-Pacific region. [paragraph continues]

It has therefore been welcomed and supported by the international community.

Official and public opinion in the ASEAN countries has praised the 8-point proposal as having put forward a way to fundamentally solve the Cambodian problem, and holds that all sectors should attach importance to it. Official and public opinion there holds that the 8-point proposal "is not only specifc and positive but also includes the views of many sectors on peace consultations, and is quite realistic"; it has provided an "all-round and reasonable basis" for a permanent solution of the Cambodian problem and "is extremely helpful for finding a way to resolve the Cambodian conflict." After the 8-point proposal was rejected by Vietnam, the ASEAN foreign ministerial meeting's joint communique again highly evaluated the 8-point proposal, saying that it is a flexible and all-round proposal that could be regarded as a concrete and constructive idea for a just solution of the Cambodian problem. The meeting also urged Vietnam to reconsider its stand on the 8-point proposal.

The majority of Western countries have welcomed the 8-point proposal. The Japanese Government was the first to give it support, when the Foreign Ministry commented that the 8-point proposal of Democratic Kampuchea was a package solution drawn up in a specific and peaceful form. The ministry also highly evaluated the spirit of initiative shown by the CGDK. The EEC issued a statement saying the proposal should be regarded as a "practical basis" for negotiations. The Council of Europe recently passed a resolution on the Cambodian situation, expressing full support for the CGDK's peace plan. It said that this plan is a positive contribution to finding a peaceful settlement of the Cambodian problem and appealed to Vietnam to start negotiations on the basis of this proposal. UN Secretary General de Cuellar held that the 8-point proposal marked a "breakthrough" in the course of resolving the Cambodian problem by peaceful means, and declared that he would make contact with Vietnam on the basis of the proposal to spur a peaceful settlement of the Cambodian problem. FRG Chancellor Kohl and U.S. President Reagan have made their attitude clear by endorsing the 8-point proposal.

Mauritania, Yugoslavia, Egypt, Liberia, and many other countries have also explicity expressed support for Democratic Kampuchea's 8-point peace proposal. According to incomplete statistics, so far the proposal has been supported and welcomed by more than 50 countries.

The reason the proposal has gained such welcome and support is that it is fair and reasonable, magnanimous and flexible, and feasible and practical. First, the 8-point proposal upholds principles while also displaying very great flexibility. The CGDK upholds the principle that Vietnam must withdraw its forces from Cambodia, but certainly does not demand that talks only be held with Hanoi after a complete withdrawal; instead, Vietnam is permitted to "withdraw in two stages."

Second, the proposal takes full account of the overall situation and also of current realities. The proposal says that "Heng Samrin and his clique should take part in talks with the three parties of the CGDK" to facilitate preparations for organizing "a 4-party Cambodian coalition government." This is based on the spirit of national solidarity and represents a big step forward for achieving a truly peaceful solution. It is extremely generous and magnanimous.

The war of aggression launched by Vietnam against Cambodia has brought great calamity on the Cambodian people. Nevertheless, the CGDK is still willing to let bygones by bygones after Vietnam has withdrawn, to sign a treaty of peace and mutual nonagression with Vietnam, and "to live forever as good neighbors." At the same time, the CGDK will also allow Heng Samrin and his clique, who have neither been accepted by the Cambodian people nor recognized by the international community, to take part in negotiations as a political force. [paragraph continues]

This is the greatest concession, based on the cardinal principles of national righteousness. Such tremendous sincerity on the part of the CGDK for a settlement of the Cambodian problem has naturally been welcomed and supported by all states and peoples that uphold justice.

However, the Vietnamese authorities have brusquely rejected the 8-point proposal, which has been extensively supported and welcomed by the international community. It is thus evident that the Vietnamese authorities' so-called "political solution" and "partial withdrawal" are just pack of lies for deceiving people. As CGDK Chairman Prince Sihanouk has pointed out, Vietnam's words and deeds show to the world that it rejects negotiations because it wants to occupy Cambodia by military means for a long time. This is a daydream.

WAN LI CONTINUES AUSTRALIAN VISIT, MEETS WITH HAWKE

OW080120 Beijing XINHUA in English 0056 GMT 8 Sep 86

[Text] Canberra, September 7 (XINHUA) -- Australian Prime Minister Robert Hawke and visiting Chinese Vice-Premier Wan Li held talks here this afternoon on a wide range of international issues of common interest and the situations in both countries.

According to the disclosure of a Chinese foreign affairs official late tonight, Wan introduced to the Australian side the progress made in China's economic reform and China's open policy to the outside world, including the investment environment and the preferential policy towards foreign investment in China. He pointed out that there existed a wide prospect for the development of the friendly cooperation between China and Australia on the basis of equality and mutual benefit.

Hawke expressed his belief that further achievements would be made by China in the economic reform process.

Hawke asked Wan Li to convey his best regards to Chinese leaders Hu Yaobang, Zhao Ziyang, Deng Xiaoping and Li Xiannian.

After dwelling on the world situation in general, Wan Li explained China's position on the Kampuchean issue. He pointed out that the eight point proposal put foward by the Coalition Government of Democratic Kampuchea conformed to the resolutions of the United Nations and the spirit of the declaration of the international conference on Kampuchean issue. He said the eight-point proposal has provided a reasonable basis for a solution to the issue.

Prime Minister Hawke believed that Australia shared a common view with China on a wide range of international issues, or had similar or basically similar views. Hawke indicated that Australia and China have strived particularly for realizing the full potential of the Asian-Pacific region and making it a region of peace and security.

HU YAOBANG MEETS FEDERAL GERMAN VISITORS 4 SEP

OW041239 Beijing XINHUA in English 1225 GMT 4 Sep 86

[Text] Beijing, September 4 (XINHUA) -- General Secretary Hu Yaobang of the Chinese Communist Party Central Committee met Oskar Lafontaine, minister-president of the Saar state, Federal Germany, and his party here this afternoon.

Hu congratulated the Social Democratic Party on its smooth convention of its congress not long ago and praised it for its contributions to the Federal Germans, world peace and the Third World, adding that China cherishes good wishes to every party of the Federal Germany.

Referring to bilateral economic and technological cooperation, Hu said Werner Gerich, an expert from the Federal Germany, who is working in the Wuhan Diesel Engine Plant has become a wellknown foreign factory director in China.

He told the visitors that China has invited some foreigners to hold posts concurrently in it. In this field, he said, China can cooperate well with the Federal Germany.

Lafontaine said the state of Saar has established economic and technological relations with China's provinces of Shanxi, Hunan and Hubei.

He said the delegation hopes to visit other parts of China so as to seek ways for bilateral cooperation. The Federal Germany has advanced technology in coal processing and utilization.

Hu said China is rich in coal resources. So there exist broad prospects for bilateral cooperation in this field.

Also member of the Federal Council of the German Social Democratic Party, Lafontaine conveyed the greetings from the party Chairman Willy Brandt to Hu Yaobang. During the meeting, they also exchanged views on some major international issues.

FRG RUN JOINT MANAGEMENT TRAINING PROGRAM BEGINS

OW051938 Beijing XINHUA in English 1507 GMT 5 Sep 86

[Text] Shanghai, September 5 (XINHUA) -- The managers of 30 of the larger state-owned enterprises in Shanghai and Guangdong and Shaanxi Provinces began a four-month study here today of management in the Federal Republic of Germany.

The course is one of seven that will be taught over the next five years at a management training center jointly sponsored by China and Federal Germany.

The courses -- some taught by professors from Federal Germany, others by Chinese -- will cover such topics as enterprise leadership, production managment, auditing and finance, marketing science and joint ventures, according to center officials.

RENMIN RIBAO ON DEMOCRACY IN NPC COMMITTEE

HK090351 Beijing RENMIN RIBAO in Chinese 7 Sep 86 p 4

["Random Talks" column by Ding Ji: "Vivid Manifestation of Political Democracy"]

[Text] According to newspaper reports on 5 September, members of the NPC Standing Committee freely aired their opinions without reservation and warmly debated with each other when discussing the bill on bankruptcy of state-owned enterprises at the Standing Committee's 17th meeting. They finally reached a conclusion: Conditions for implementing the bankruptcy law are not ripe, so it is proposed that the bankruptcy law should be renamed "interim" or "trial" regulations.

The current NPC Standing Committee meeting is imbued with a democratic atmosphere. The NPC Standing Committee is the supreme organ of power between NPC sessions, and it is responsible for making policy decisions on major state affairs through democratic procedures and for supervising state administration. In the past, for various reasons, people used to regard the NPC and its Standing Committee as something without real power. In people's eyes, the NPC and its Standing Committee could merely discuss things in generalities and conduct formalist voting procedures by applause and a show of hands. So, from newspaper reports and news pictures, we might merely see a scene of "unanimous adoption" of something. Today, political democracy is being emphasized, and the NPC Standing Committee meeting has set a real example in performing its functions in the handling of state affairs specified by the Constitution, and has really displayed a vivid scene in which people's deputies are acting as masters of the country on behalf of the people. This encourages the people to advance the proposed political structural reform with full confidence.

News reports about the current NPC Standing Committee meeting are also free from the old pattern and can reflect the different opinions at the meeting as things really are. In fact, there were not always merely "identical" opinions at previous meetings. Due to convention or people's misgivings, only the agenda and conclusions of a meeting would be made public. When more and more people are calling for reform of journalistic work, the reports concerning the NPC Standing Committee meeting undoubtedly represent a new breakthrough. It is the readers' hope that this fundamental issue will be grasped in the reform of journalistic work so that the guideline of the people being masters of a socialist country can be really implemented.

CULTURE MINISTRY REPORTEDLY BANS EXHIBITION

HK080919 Hong Kong AFP in English 0902 GMT 8 Sep 86

[By Pierre-Antonine Donnet]

[Text] Beijing, Sept 8 (AFP) -- Beijing's galleries have been told not to exhibit the works of a group of non-conformist artists and two of its founding members have been classified dissidents by the Chinese Government, a group member said Monday.

Sculptor Wang Keping, 37, who helped found the Stars group in 1979 at the same time as the anti-establishment "Beijing Spring" movement, said the Ministry of Culture recently sent a circular to all galleries in the capital formally forbidding them to exhibit works by the group.

The ministry circular also accused Mr. Wang and Li Shuang of being political dissidents, the sculptor added. Mr. Wang, Mrs. Li -- one of the group's most prominent members who was sent to be reeducated for two years in 1981 for having "sold her soul to a foreigner" -- and Huang Rui, returned to China in August from Japan and France. All three stated their intention of holding an exhibition here.

"Officials in several Beijing galleries received our plans to hold an exhibition with much enthusiasm until they received this circular," Mr. Wang said. Minister of Culture Wang Meng, obviously embarrassed when questioned on the subject by AGENCE FRANCE-PRESSE at a public gathering, said that he had "no information about this," a spokesman for the ministry said that he had heard nothing about the circular. Mr. Wang strongly denied that he has a dissident, adding that "this decision was probably taken by some conservative leaders and had nothing to do with Mr. Wang Meng, who, it seems was forced to accept these orders."

The Stars organised its first exhibition, featuring the works of about 30 non-conformist artists, in a Beijing park in 1979. It was the first unauthorised modern art exhibition held in Communist China and included abstract works parting from the model of official Chinese art. It was followed by a second exhibition in 1980, authorised after long administrative harassment, in Beijing's prestigious Palace of Fine Arts, which attracted thousands of visitors. Mr. Wang said that the circular also called on the galleries to refuse to exhibit all works by members of the Chinese Federation of Overseas Artists, established in December in Paris, New York and Tokyo.

Comprising about 40 artists of Chinese origin, including some Stars members, the federation has called for greater artistic freedom in China. The federation includes several noted artists, such as Yuan Yunchang, who produced a large mural at Beijing Airport portraying nude figures. It was criticised by the authorities after its unveiling in 1980, and has been covered over with a wooden panel.

The federation has welcomed recent changes in China, but said that Chinese culture had been going through a bad period for the past century. It denied that it had any links with the Chinese Spring dissident movement formed in New York, which is calling for greater democracy in China.

"Neither the Stars or the federation are dissident organisations. We are concerned only with art, and have absolutely nothing to do with any political organization whatever," Mr. Wang said. He also said he was sure that the official ban on showing the Stars' work in galleries was not permanent, and that their works would eventually be accepted in China as it became more open.

"They will end up by inviting us to come (and exhibit), when they realise that our art is amoing the best Chinese art at the moment, we will return."

Several non-official art exhibitions have been held without any problem in Beijing galleries in the past year.

RENMIN RIBAO REPORTS ON LITERATURE SYMPOSIUM

HK090513 Beijing RENMIN RIBAO in Chinese 8 Sep 86 p 1

[Report by Want Bisheng: "Symposium To Review Chinese Literature Over the Past Decade Opens in Beijing"]

[Text] To sum up in a scientific way the achievements made in the field of literature in the past 10 years as a new era, to conscientiously explore the laws and trend of development of the new-era literature, to further promote the development of socialist literature, and to make fuller use of literature to inspire the whole nation -- this is the central topic of a "Symposium on 10 Years' of Development of New-era Literature" which opened in Beijing on 7 September. Present at the sumposium are 200 scholars and critics from all over the country who have made contributions to the study of contemporary literature.

The new-era literature has already traversed a 10-year glorious course. The changes in the country and society have opened a path and created the fundamental conditions for the flourishing new-era literature. A major task for the present study of literary theory is to conscientiously sum up and explore the experience presented by our literary practice in the past 10 years and to further boost socialist literature.

Adopting a scientific attitude and adhering to the principle of seeking truth from facts, the young and old scholars and critics participating in this symposium will review the development of the new-era literature in the past 10 years, comment on its merits and deficiencies, discover its developmental trends and prospects, and carry out thorough discussion from different perspectives, in the hope of gaining a more profound understanding of the developmental trends of contemporary literature and the developmental laws of socialist literature. The symposium is to promote democracy in the artistic field and freedom of academic research, and encourages the participants to discuss freely and to boldly put forth new ideas.

This symposium is sponsored by the Institute of Literature under the Academy of Social Sciences of China and will last 6 days. Present at the opening ceremony were well-known scholars and responsible persons of the departments concerned, including Qian Zhongshu, Zhang Guangnian, Chen Huangmei, Tang Dacheng, Zhong Dianfei, Xu Juemin, Zhu Zhai, and Li Zehou. Liu Zaifu, Director of the Institute of Literature, delivered a long speech entitled "On the Main Trend of the New-era Literature."

Symposium Discusses Humanism

HK090303 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1406 GMT 7 Sep 86

[Text] Beijing, 7 Sep (ZHONGGUO XINWEN SHE) -- The academic symposium on China's literature in the new 10-year period opened today in Beijing. Some writers and critics called for restoring the humanist nature of literature.

Zhang Guangnian, deputy chairman of the National Association of Writers, said that the past 10 years were a most crucial and important period in the history of China's modern literature, in which China's modern literature was brought back to life from the brink of death.

Chen Huangmei, another chairman of the Writers' Association, raised a question: Is literature in China really a branch of the humanities? He said that in order to ensure the healthy development of literature, it is necessary to rediscuss the topic that literature is a branch of the humanities and the issue of humanism. He said that it is not fair to criticize Zhou Yang for his exploration of humanism.

At the meeting, Liu Zaifu, director of the Literature Institute of the Chinese Academy of Social Sciences, said that the essence of humanism is now being recovered and deepened in China's literature, and many literary works use unprecedented enthusiasm in calling for human nature, human feelings, and humanism and in calling for the dignity and value of human beings.

This famous scholar added: In the past 10 years, a new literary trend has formed. This is mainly reflected in three aspects: First, the consciousness of art and criticism has been aroused; second, introspection has been practiced from political to literary issues; and third, the humanist nature of literature has been restored and deepened. In fact, these three aspects are precisely the main subjects the current symposium is to discuss.

More than 100 of the vanguard in China's modern literature and art and literature criticism attended the symposium sponsored by the Literature Institute of the Chinese Academy of Social Sciences, and the symposium has received more than 90 theses.

PAPER URGES 'RESPECT FOR OTHERS AS INDIVIDUALS'

OW051150 Beijing XINHUA in English 1115 GMT 5 Sep 86

[Text] Beijing, September 5 (XINHUA) -- Showing respect for others as individuals should be a basic principle in ideological and political work, said today's "WORKERS' DAILY" [GONGREN RIBAO] in a front-page commentary.

People should respect the personality of others, the peoples' role as masters of society, and their rights of democracy, freedom and equality, said the newspaper, which is published by the All-China Federation of Trade Unions.

"Our political workers must treat others as equals and solve ideological problems through democratic consultation," it said.

The remaining infuence of the feudal social order and the over-centralized management system existent in China for decades created difficulties in practising equality in political work, it said.

Even today some people are accustomed to persuading others, not through reason, but by using superior position.

Respect for others as individuals also means respecting personal wishes and feelings. Relations between the individual and society must be examined, and a proper balance found between personal interest and public interest.

Of course, not all personal wishes are reasonable and justifiable, but those wishes which are so should be respected and satisfied, the commentary said.

Political and ideological work should also fully respect human values and help people bring their talents into play, it said.

In conclusion, the paper said that political workers should respect all people, including communists and non-communists, Marxists and non-Marxists, and unite all people to work for the common goal -- to build China into a prosperous socialist country with a high-level of civilization.

RENMIN RIBAO ON MAKERS OF HISTORY DEBATE

HK281128 Beijing RENMIN RIBAO in Chinese 25 Aug 86 p 5

["Academic Trends" column: "A Brief Introduction to Discussions About Makers of History"]

[Text] Who makes history? In the past, there were two views. One was that history is made by heroes. Another was that history is made by the masses of people. In Marxist philosophy textbooks, the former is considered erroneous and the latter correct. In an article entitled "On the Making of History and Other Questions" (carried in LISHI YANJIU [HISTORICAL RESEARCH], No 5, 1984), Comrade Li Shu held the view that it is not right to just talk about heroes as the makers of history, but any suggestion that only the masses of people are the makers of history is also one-sided. He pointed out: The idea about "the masses of people being the makers of history" originates from certain viewpoints contained in the "History of the CPSU (Bolsheviks), A Short Course" being stretched in meaning and taken out of context by Soviet philosophers. The "History of the CPSU" in itself contains no such subject matter. Marx, Engels, and Lenin never said so. Such a view is a distortion of Marxism. The masses of laborers are of course the creators of material wealth. The history involving the creation of such material wealth is unusually important as the first historical act of people. But it cannot replace ensuing history in all fields on the basis of the first historical act. Moreover, such a view actually negates the contributions of the real creators of all relatively advanced scientific, cultural, and artistic results -- scientists, thinkers, and artists.

Li Shu pointed out: The view about "the masses of people being the masters of history" is also unscientific. This is because human history develops in keeping with its own inevitable trends. In different areas, different figures play their different roles. It cannot be said that all history is made by the laboring people. Moreover, in history, the laboring masses were active only as the exploited or the oppressed. Their historical role often asserted itself in a tortuous, unobvious, and sometimes even passive form. Only in an upsurge in a large-scale struggle against ruthless rule can they play a leading role on the political stage. Li Shu said: The proper view should be that "people make their own history." The producers of material goods, the laboring masses, and the people in various countries make history. Nonproducers of material goods, nonlaboring people, and the rulers in various countries also make history.

This viewpoint of Li Shu has aroused widespread concern among theorists and students of history and given rise to debate in academic circles.

Judging from a few articles already published, some scholars still cling to the viewpoint that the masses of people are the makers of history. The reasons given are: First, the makers refer to the driving force behind history. Only the masses of people as the advanced class stimulating the development of history are the makers of history. As to the perverse acts of decadent classes and their reactionary representatives causing a distortion of history or temporary retrogression, it cannot be said that their activities are devoted to the making of history. They are also by no means the makers of history. Therefore, it cannot be said that all people participate in making history. Some comrades also pointed out: History is, of course, made up of the activities of various individuals. But it is by no means the accumulation of the activities of individuals. Nor is it the sum total of every individual's own history made by himself. This is because an individual's activities are restricted by a given social environment. It is also because an individual's activities often find expression in a class society as clashes between classes.

What is called "the masses of people being the makers of history" means that the masses of people are the main body in making history and are the factor deciding the direction or the general trend of the development of history. Second, "the masses of people being the makers of history" is a fundamental Marxist principle. This principle is a viewpoint long put forth by authors of Marxist classics and repeatedly expounded and reasoned out. It cannot be said that it was put forth by the "History of the CPSU (Bolsheviks)" and Soviet philosophers. It cannot be said that presentation of this viewpoint is a "distortion of Marxism." This viewpoint also has its own history in China and was not necessarily borrowed from the Soviet Union. Third, "the masses of people being the makers of history" is a fundamental topic compatible with the materialist conception of history. This is to say that the production activities of the mass of people are not only a prerequisite for the making of history but are also the most fundamental activities in making history. This is because without material production, there will not be any other historical activity. It is also because material production decides and restrains other historical activities. Production activities are by no means just a passive stage. They also decide and restrain the plays performed and the figures appearing on the scene. The occurrence of important historical events and the appearance of outstanding figures are brought about by historical activities decided by economic development.

Some scholars consider that the problem of making history should be given an overall analysis at various levels. Generally speaking, it is people themselves making thir own history. But we cannot confine ourselves just to this point. The role of people in making history is not free from any difference in it and must be given a penetrating study. They pointed out that using the argument about "the masses of people being the fundamental driving force behind the making of history" or "the decisive force" to give expression to the historical materialist principle about the makers of history means greater accuracy than the original way of putting things and makes the unification of thinking easier.

In the course of discussion, there was also a view that the two ideas put forth about "the masses of people being the makers of history" and "the masses of people being the masters of history," though not accurate, are not absurd. They may be subject to a bit of criticism. But execssive condemnation is uncalled for. Any suggested idea not precise enough, if interpreted one-sidedly, is really liable to give rise to an unhealthy trend. But at present, the trend is still not serious.

LIAOWANG ARTICLE REVIEWS NEW HISTORY BOOK

HK080947 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 35, 1 Sep 86 pp 36-37

[Article by Wang Kongcheng: "'Outline History of the Republic of China' Makes a New Appraisal of Chiang Kai-shek and Others"]

[Excerpts] The fact that the newly published "Outline History of the Republic of China" has affirmed the historical feats of Chiang Kai-shek, Hu Han-min, and Wang Ching-wei, and made an all-around analysis of some historical facts, has roused the interest of scholars and readers at home and abroad.

The 550,000-character outline history, published at the end of 1985, was edited by Assistant Professor Zhang Xianwen, director of the Research Office on the History of the Republic of China under the Research Institute of History at Nanjing University. The book was soon out of stock in bookstores in such major cities as Beijing. It was listed as one of the focal points of the PRC publications exhibition held in Hong Kong. Some readers abroad have even written asking to buy a copy. Foreign news agencies have also made comments on the book.

People have attached importance to this "outline history" because it has analyzed, evaluated, and proposed a new understanding on some historical personalities and incidents.

Regarding Chiang Kai-shek, a view in the past considered him to be opportunistic in participating in the revolution in his early days. The "outline history" now proposes that he took part in the old democratic revolution under the influence of Dr Sun Yat-sen. The usual practice in the past was to refrain from mentioning Chiang's personal role in the Northern Expedition (1926-1927), saying that he usurped the leadership of the Northern Expedition. In describing the history of this period, the "outline history" now mentions the 1926 KMT-CPC cooperation in defeating the northern warlords and affirms Chiang Kai-shek's role in participating in the leadership of the Northern Expedition. Concerning the War of Resistance Against Japan, it was said in the past that Chiang Kai-shek was passive in fighting the war and that he compromised and collaborated with the Japanese. The "outline history" believes that Chiang Kai-shek began to make preparations to resist Japan after the 1935 North China Incident, for example, building highways and railways for the sake of national defense, drawing up tentative strategies, and making preparations for long-term resistance. The KMT officers and men fought heroically during the War of Resistance Against Japan. All this has demonstrated that regarding the second KMT-CPC cooperation and defeat of Japanese imperialism, Chiang Kai-shek rendered meritorous services.

Regarding Hu Han-min, the traditional saying was that he was an old-line KMT rightist contending with Chian Kai-shek over power and interests. The "outline history" now ;holds that he was an important assistance to Dr Sun Yat-sen in the old democratic revolution. In the struggles between Hu and Chiang, there was contention over power and interests as well as differences in their political views. Hu's role in the War of Resistance Against Japan has been affirmed in the book.

As for Wang Jing-wei, it was said that he had been a pseudo-leftist but a genuine rightist during the great revolution in China (1924-1927). Now the "outline history" believes him to be an important assistant to Dr Sun Yat-sen who made contributions to propaganda work. He was not a staunch KMT leftist during the great revolution.

After the founding of the Nanjing National Government in April 1927, new treaties were signed in diplomatic relations, initiatives were taken in its own hands regarding tariffs, and consular jurisdiction was abolished. The "outline history" has made new comments on this, pointing out that despite the incompleteness of these dealings, they were positive, for part of China's sovereignty was recovered.

Regarding economic conditions under the KMT reign in the 1930's, the "outline history" has changed the usual evaluation in the past that "the economy was in a recession, industry and commerce went bankrupt, and agriculture languished," and points out that the economy in that decade went through tortuous and slow development. The monetary reform at that time, the restriction on the outflow of silver, and the reformative measures regarding tariffs played the role of centralization and monopolization of national capitalism, while objectively promoting economic development, which was favorable to resisting Japan.

In discussing international relations and relevant incidents, the "outline history" has also proposed some new views. Regarding Sino-American relations during the war of resistance against Japan, the author points out: Between the "September 18 Incident" in 1931 and 1938, the United States adopted a neutral and non-intervention policy towards Japanese aggression in China. After 1938, the United States changed its attitude because its interests in China were affected by the expansion of the Japanese aggressive war in China. The United States then provided China with certain aid in resisting Japan. When the war in the Pacific broke out in 1941, the United States became a major ally of China in resisting Japan. Friendly American personalities and the observation group of the U.S. Army truthfully reported the conditions of CPC anti-Japanese base areas, in support of the CPC's resistance against Japan. After 1944, the U.S. policy toward China changed to supporting Chiang Kai-shek in opposing communism. The "outline history" gives full affirmation to the Soviet Union's support of China's resistance against Japan; however, it points out that on the eve of the victory of the anti-fascist war, the Soviet Union made some compromises with the United Kingdom and the United States which were injurious to China's sovereignty.

The "outline history" proposes these new viewpoints based on volumes of original documents. [passage omitted]

There were altogether nine people participating in the editing of the "outline history." They hailed from various teaching or scientific research units in the Nanjing area, and most of them are engaged in teaching the history of the Republic of China. When the book was published, an American reporter called the chief editor, Zhang Xianwen, asking: Is there any "political background" for editing the book? Zhang Xianwen answered in the negative. In fact, this editing body was organized on a voluntary basis, without any external intervention. The purpose for editing this book is for the needs for the teaching and studying of history. In the course of editing this book, the units in which the writers were working and relevant units historical materials provided them with all kinds of conveniences and support.

Zhang Xianwen told this reporter: We did our best to seek truth from facts in editing the book, but we are sure there must be immature places in it, and mistakes are possible in some areas. Because of the limitation of our situation such as the utilization of historical materials in Taiwan, the United States, and Japan, there may be limitations in the book. I hope that the "outline history" will arouse the interest of our Taiwan colleagues in the history circles, and that academic exchanges will be conducted, so that a better job may be done in revising the history of the Republic of China.

BEIJING REVIEW CITES DENG XIAOPING ON MAO

OW081237 Beijing BEIJING REVIEW in English 8 Sep 86 p 14

[Text] To commemorate the 10th anniversary of the death of Mao Zedong we present an assessment of Chairman Mao in the words of Deng Xiaoping (as they appear in his "Selected Works"):

For most of his life, Chairman Mao did very good things. Many times he saved the Party and the state from crises. Without him the Chinese people would, at the very least, have spent much more time groping in the dark. Chairman Mao's greatest contribution was that he applied the principles of Marxism-Leninism to the concrete practice of the Chinese revolution, pointing the way to victory.

Unfortunately, in the evening of his life, particularly during the "Cultural Revolution," he made mistakes -- and they were not minor ones -- which brought many misfortunes upon our Party, our state and our people. So far as Chairman Mao's own hopes were concerned, he initiated the "Cultural Revolution" in order to avert the restoration of capitalism, but he had made an erroneous assessment of China's actual situation.

We will make an objective assessment of Chairman Mao's contributions and his mistakes. We will reaffirm that his contributions are primary and his mistakes secondary. That is why we will forever keep Chairman Mao's portrait on Tiananmen Gate as a symbol of our country, and we will always remember him as a founder of our Party and state. Moreover, we will adhere to Mao Zedong Thought. (Answers to Italian journalist Oriana Fallaci, August 1980)

The fundamental point of Mao Zedong Thought is seeking truth from facts and integrating the universal truth of Marxism-Leninism with the concrete practice of the Chinese revolution. Comrade Mao Zedong wrote a four-word motto for the Central Party School in Yanan: "Seek truth from facts." These four words are the quintessence of Mao Zedong Thought. In the final analysis, Comrade Mao's greatness and his success in guiding the Chinese revolution to victory rest on just this approach. (Remarks made on hearing a work report by the standing committee of the Jilin provincial Party Committee, September 1978)

It is no exaggeration to say that were it not for Chairman Mao there would be no New China. Mao Zedong Thought has nurtured our whole generation. Without Mao Zedong Thought, the Communist Party of China would not exist today, and that is no exaggeration either. Mao Zedong Thought will forever remain the greatest intellectual treasure of our Party, our army and our people. We must understand the scientific tenets of Mao Zedong Thought correctly and as an integral whole and develop them under the new historical conditions. (Excerpts from a speech at the closing session of a central working conference held on December 13, 1978)

Comrade Mao, like any other man, had his defeats and made errors. But how can these errors in his illustrious life be put on a par with his immoratal contributions to the people?

Mao Zedong Thought has been the banner of the Chinese revolution. It is and always will be the banner of China's socialist cause and of the anti-hegemonist cause. In our forward march we will always hold the banner of Mao Zedong Thought high.

The cause and the thought of Comrade Mao Zedong are not his alone: They are likewise those of his comrades-in-arms, the Party and the people. [paragraph continues]

His thought is the crystallization of the experience of the Chinese people's revolutionary struggle over half a century. (Excerpts from a speech at a forum on the principles for the Party's theoretical work, March 1979)

Comrade Mao Zedong made mistakes during the decade o the "Cultural Revolution" (1966-76). In our appraisal of him and of Mao Zedong Thought, we must analyse those mistakes in the spirit of seeking truth from facts.

When we talk about mistakes, we should not speak only of Comrade Mao, for many other leading comrades in the Central Committee made mistakes too. Criticism of mistakes is necessary but it must be appropriate. Criticizing Comrade Mao's personal mistakes alone will not solve problems.

We stressed at the very beginning that the historical role of Comrade Mao Zedong must be affirmed and that Mao Zedong Thought must be adhered to and developed.

Since the Third Plenary Session, we have been restoring the correct things advocated by Comrade Mao Zedong; we have been studying and applying Mao Zedong Thought correctly and as an integral whole. In many respects, we are doing things Comrade Mao suggested but failed to do himself, setting right his erroneous opposition to certain things and accomplishing some things that he did not. (Remarks on Successive Drafts of the "Resolution on Certain Questions in the History of Our Party Since the Founding of the People's Republic of China," March 1980-June 1981)

NEW SELECTED WORKS OF MAO ZEDONG TO BE PUBLISHED

OW010608 Beijing Domestic Service in Mandarin 1100 GMT 30 Aug 86

[Text] Selected Works of Comrade Mao Zedong for Reading [MAO ZE DONG ZHU ZUO XUAN DU], a book compiled by the Editorial Committee on Party Literature of the CPC Central Committee, will be distributed by Xinhua Book Stores throughout the country on 9 September, the 10th anniversary of Comrade Mao Zedong's death.

In a recent circular, the Propaganda Department of the CPC Central Committee urged propaganda departments of party committees at all levels to do a good job in organizing the propagation and study of the selected readings.

The circular says: The compilation and publication of the selected readings are for the purpose of introducing the most scientific works of Comrade Mao Zedong to the vast number of Communist Party members, CYL members, and state functionaries; and providing all types of schools of secondary and higher education, a fundamental reader for learning Marxist theories. The book will facilitate the study and research of the history of the Chinese revolution and construction under the CPC's leadership, and the study and research of Mao Zedong Thought, which is a scientific achievement of integrating basic Marxist and Leninist theories with Chinese revolution and construction.

The two-volume, 580,000-character selected readings have incorporated 68 works written by Comrade Mao Zedong during the 1921-1965 period, including 17 articles that have not been published or incorporated in any previous Selected Works of Mao Zedong.

DENG XIAOPING INSCRIBES MAO ZEDONG BOOK OF POEMS

OW080228 Beijing XINHUA in English 0159 GMT 8 Sep 86

[Text] Beijing, September 8 (XINHUA) -- A new edition of "Selections From Mao Zedong's Poetry" has been published by the People's Literature Publishing House and will be distributed nationwide tomorrow. The two-part book collects 50 poems written by Mao Zedong between 1918 and 1965 -- more than any other edition published before. The poems are arranged chronologically. A total of 40,000 copies have been printed.

The first part has 42 poems, 39 of which were proofread by Mao himself and published before his death on September 9, 1976. The second part has eight poems, which are not the final versions written by the late leader, who did not want most of them published. In the appendixes, there are three letters of Mao Zedong on poems, as well as detailed notes for each poem.

The new edition also tells when and where old poems were published, and states that those published for the first time are printed according to original manuscripts. The title of the book has been written in senior Chinese leader Deng Xiaoping's calligraphy.

STATE ENTERPRISES GIVEN RIGHT TO DISMISS WORKERS

OW090756 Beijing XINHUA in English 0630 GMT 9 Sep 86

[Text] Beijing, September 9 (XINHUA) -- "The customer is always right" has become the new policy of China's state-owned enterprises. Those companies now have the right to fire workers who often quarrel with customers. And that's just one way workers can lose their jobs under a set of regulations adopted by the State Council, China's highest governing body, today.

The State Council has drawn up a list of infractions that are grounds for firing after efforts to educate and help them fail. The idea is to "enforce labor discipline and revitalize enterprises." Arrogance toward customers and quarreling to the point of losing a sale is one way to get fired. Refusing to accept a normal job transfer is grounds for dismissal. Also, showing a lack of initiative by wasting materials and energy can also mean the pink slip for a worker.

A fired worker isn't without recourse however. Before a worker can be fired the boss must ask the opinion of the local trade union. The worker can also lodge complaints against the state enterprise with the labor arbitration committee, or even take the case to court as a final recourse.

NEW STATE WORKERS TO BE HIRED BY CONTRACT

OW090752 Beijing XINHUA in English 0626 GMT 9 Sep 86

[Text] Beijing, September 9 (XINHUA) -- Starting in October, new workers at state-owned enterprises, government institutions and social groups will become contract laborers, according to provisional regulations issued by the State Council today. The new system follows the success of an experimental contract-hiring system which began on a trial basis in 1980 and employs 3.6 million of the country's 70 million state workers.

After passing physical and proficiency tests, prospective workers will undergo a three to six-month trial period and then negotiate the length of their contracts. The new system replaces the "iron rice bowl" system of the past years since the 1950s, where workers were given work through strictly administrative means and assured of lifetime employment, but only for new workers.

The new employment system does not apply to the 67 million state workers under the old system, said minister of labor and personnel Zhao Dongwan. The new system is intended to "reform the labor system at state-owned enterprises, bring into full play worker initiative, guarantee the legitimate rights and interests of workers, and thus revitalize these enterprises," said the State Council regulations.

RENMIN RIBAO ON DETERMINING URBAN RURAL AREAS

HK290805 Beijing RENMIN RIBAO in Chinese 25 Aug 86 p 5

[Article by Li Mengbai and Li Yue: "A Brief Discussion on the Standards for Determining Urban an Rural Areas"]

[Text] A city is a social region which, due to the development of the social productive forces, is separated from, and is more advanced than, the rural areas. Since its formation, a city becomes the economic, political, scientific, technological, cultural, and educational center of a certain region and plays a dynamic and leading role in economic and social development. In the entire socialist historical stage, there is a marked difference between the economic, social, and population structures of a city and a village and between the economic conditions and ways of life of the urban and rural population. Therefore, the government principles and policies, as well as the plans for the national economy and statistics, should be differentiated in the urban and rural areas. To adapt to the needs of all fields of endeavor in the urban and rural areas and to stimulate economic and social development, it is necessary to work out standards for derermining urban and rural areas.

The existing standards for determining urban and rural areas were adopted in the fifties. They are not completely suited to the current needs. Since the 3d Plenary Session of the 11th CPC Central Committee, with the shift of the focus of party work and the launching of the economic structural reforms in the urban and rural areas, the planned socialist commodity economy has developed rapidly. A large number of surplus laborers have left agricultural work and gone to cities and towns to engage in industry, commerce, construction, transportation, and service trades. More and more township enterprises have been set up in market towns; some products which can suitably be produced in a decentralized way and some labor-intensive industries are constantly being shifted from cities to market towns. Profound changes are taking place in the industrial structure of the market towns, whose population and size are constantly expanding and whose economic strength is constantly growing. These new developments call for a revision of the existing standards for determining urban and rural areas.

In order to vigorously and prudently revise the existing standards, it is essential to take into consideration the following points:

1. It is necessary to take into consideration the continuity of the policy. In 1955, in light of the difference in urban and rural economic conditions, populations, and ways of life at that time, the State Council formulated and promulgated the "Decision on Establishing the City and Town Organizational Systems" and the "Regulations on the Standards for Determining Urban and Rural Areas." In 1963, in light of the conditions prevailing at that time, the CPC Central Committee and the State Council again issued an instruction on adjusting the city and town organizational systems and reducing the size of the surburb. In 1984, the State Council authorized the transmission of the report of the Ministry of Civil Affairs on readjusting the standards for organizational towns [jian zhi zhen 1696 0455 6955]. When revising the standards for determining urban and rural areas, we should study these documents and take into consideration the continuity and relative stability of the state policy.

2. It is necessary to take into consideration the actual conditions in our work. Over the years, in line with the state regulations, our cities, county towns, and organizational towns have always made plans, engaged in construction, and carried out management according to the city structure. They have developed a complete set of work systems and institutions and formulated appropriate laws, regulations, and systems. The existing limits of urban and rural areas serve not only as a basic starting point for the state in formulating a series of principles, policies, laws and plans, but also as an important basis for various professional work. When revising the standards for determining urban and rural areas, if we rashly make fundamental changes in the limits of urban and rural areas, we will inevitably create varying degrees of confusion in administrative, economic, and legal management and will exert an adverse influence on the all-around economic structural reform on which we should concentrate our attention at present.

3. It is necessary to rely on Marxist theory and the party principle and policies in the new period. Marxist theories on such questions as the birth and role of cities, the difference and relationship between urban and rural areas, and the history and trend of urban and rural social development can serve as a guide in carrying out this work. Moreover, since the 3d Plenary Session of the 11th CPC Central Committee, the party has attached great importance to urban construction and development and, from the strategic high plane of the country's economic and social development, defined the tasks of cities and towns in the new historical period and their leadership of villages. In the future, with the development of the social productive forces, particularly the prosperity of the rural economy, the urbanization of villages will be the inevitable course and trend of social development.

4. It is necessary to consult international practice. Almost all countries in the world divide a social region into two principal parts, the urban and rural areas. They incorporate cities and towns into the urban areas and the rest of the region into the rural areas. All possible efforts should be made to conform our standards for determining urban and rural areas to international practice. In this way, we can compare our statistical data with those of other countries and of such international organizations as the United Nations.

In revising the standards for determining urban and rural areas, we should concentrate on solving various issues, such as the definitions and limits of urban and rural areas, the concepts of agricultural and nonagricultural populations, and the distinction between an administrative region and a social one.

Judging from our history since the founding of the PRC and our current practical conditions, we have made fairly rational stipulations on the definition and extent of an urban area. They can be summed up as follows:

An urban area refers to a place where secondary and tertiary industries and nonagricultural population are concentrated; it is usually the political, economic, scientific, technological, cultural, and educational center of the surrounding areas. An urban area includes a designated city [she shi cheng shi 6080 1579 1004 1579] and a city-type socioeconomic area. To be specific, it includes the seats of the designated city people's government and of the county people's governments; the city proper and outskirts (referring to the suburbs when no distinction is made between the outskirts and the remote outskirts of a city) of the designated city and the county seats [cheng guan zhen 1004 7070 6966]; the seats of the organizational town governments; and the industrial and mining areas, scenic spots, universities, colleges, and scientific research institutes. The area outside the limits of a city is the rural area, which includes market towns, villages, and scattered residential areas.

In revising the criteria for determining urban and rural areas, the most important thing is to define the limits of urban and rural areas, which not only conform to the actual conditions but also can stimulate economic and social development. Where are the limits of urban and rural areas? They should be between an organizational town and a rural market town. That is to say, the area at and above the organizational town levels falls within the jurisdiction of an urban area and the area at and below the rural market town levels comes under the jurisdiction of a rural area. We take an organizational town as the limits of urban and rural areas not only because the State Council has made such a stipulation in its regulations in 1955 and 1984 but, more importantly, because we want to proceed from the actual conditions in our country at present. An organizational town usually has a given number of industrial enterprises, fairly flourishing commerce and service trades, and a certain foundation in medical, public health, cultural, educational, municipal administration, and other public facilities, and can play the role of an economic, political, and cultural center in a certain area. Therefore, it should come under the jurisdiction of an urban area. A rural market town, however, is usually not provided with the above-mentioned conditions and is markedly different from an organizational town. Naturally, with the vigorous development of the rural economy, the construction of villages and towns have developed rapidly. In the open coastal areas and the economically developed areas, in particular, some rural market towns are not different from organizational towns but, due to various factors, such as taxation and profit retention, they have not been turned into organizational towns. Nevertheless, rural market towns with such a high level of development are still in the minority in our country. Therefore, we should not equate rural market towns with organizational towns.

Some people favor listing the area below the county level as a rural area. According to this view, since the county towns are closely related to the vast rural areas and since the focus of the government work is to develop the rural economy and to stimulate rural construction, the county towns and organizational towns should be incorporated into the rural area. In truth, county towns have always come within the jurisdiction of cities and have been leading the rural areas since ancient times. Today, it is even more necessary to build well county towns according to the requirements of cities so that they can play the role of key cities within their boundaries and, together with the organizational towns, lead the rural areas in taking the road of "urbanizing the rural areas." We should not incorporate county towns and towns into rural areas just because they serve as a link between the urban and rural areas. If we do so, we will certainly reduce the status of many cities and towns and isolate the designated cities, thus weakening the leading role of the city and town systems and the cities.

After defining the area at and above an organizational town level as the limits of an urban area, we should make further efforts to work out the standards for defining the establishment of an organizational town. The report of the Ministry of Civil Affairs on adjusting the criteria for an organizational town, which was approved and transmitted by the State Council in 1984 raised four main points: 1) An organizational town should be set up in the location of an organization at the county level; 2) the seat of a township government can be turned into a town if it has a nonagricultural population of over 2,000; 3) the standards for establishing towns in areas inhabited by minority nationalities and at border ports may be properly relaxed if there is really such a need; and 4) the system of towns managing villages will be instituted following the establishment of the town. The four points can be taken as a basis for revising the standards for organizational towns. Moreover, we may consider adding the following contents:

1. The population target. The "permanent population" figure, as used in the past, should be changed into the actual resident population figure. The "permanent population" refers only to registered permanent residents. It cannot reflect the actual population of a town. At present, the population structure of an organizational town can roughly be divided into three parts: 1) the original permanent residents: 2) those who, in recent years, have settled down in a town to engage in commerce, service trades, and other professions and who make their own grain ration arrangements; and 3) the floating population. Of these, some people, who engage in both industry and agriculture, are still registered as rural population, but they work in township enterprises or engage in other jobs. They go to town in the morning and return to the villages in the evening. The number of these people remain relatively stable. There are also a number of people who engage in country fair trade, go sightseeing, or go to towns to recover their health. When the number of the people in the last two categories exceed the permanent residents, we should consider establishing a town.

2. The employment structure. It is necessary to change the concept of determining agricultural and nonagricultural population according to the classification of the household register (in fact, according to whether or not one eats commodity grain). After the policy had been relaxed and the economy had been invigorated, quite a few poeple who originally belonged to the agricultural population engaged in nonagricultural work. The existing household registration management method can no longer accurately reflect the actual employment of the people. It is necessary to create conditions for investigating and registering people's actual employment conditions and to make the employment structure of the resident an important factor in establishing a town.

3. The functional problem. Generally speaking, an organizational town must have a circulation function. That is to say, it should be a center for delivering agricultural and sideline products to cities and sending manufactured goods to the rural areas, should closely link urban and rural markets, and serve as a bridge or a link in commodity circulation. Moreover, we should also develop industrial and tourist towns in light of the local resources.

HU QILI MEETS FORMER TAIWAN UNIVERSITY PROFESSOR

OW081004 XINHUA in English 0948 GMT 8 Sep 86

[Text] Beijing, September 8 (XINHUA) -- Hu Qili, member of the Political Bureau and Secretariat of the Communist Party Central Committee, met Professor Chen Ku-ying and his wife here today. Formerly professor at Taiwan University, Chen is now a research fellow at the University of California at Berkeley. He is currently giving lectures at Beijing University.

ZHAO ZIYANG VISITS JINSHAN HOTEL IN BEIDAIHE

SK090450 Shijiazhuang HEBEI RIBAO in Chinese 27 Aug 86 p 1

[Excerpts] On the afternoon of 21 August, Zhao Ziyang, premier of the State Council, accompanied by Tian Yucheng, vice mayor of Qinhuangdao City, inspected the Jinshan Hotel in Beidaihe, whose construction is being undertaken by the Haibin Tourist Company. He was satisfied with the designs, decorations, and service attitude of the hotel.

All hotels subordinate to the Haibin Tourist Company have been built with state investment in line with the needs of the increasing number of developed tourist undertakings. [passage omitted]

The total investment for the hotel is some 25 million yuan, and the construction began in autumn of 1984. It will be basically completed by the end of this September and put into trial operation in mid-October. [passage omitted]

Premier Zhao Ziyang also inspected the guestrooms, dining hall, and the reception center, talked with the attendants, inquired about the charges of the guestrooms and the specific issues concerning convening international meetings in the hotel, and put forward some suggestions on making the surroundings green.

VICE PREMIER WAN LI INSPECTS NINGXIA 20 AUG

HK080755 Yinchuan NINGXIA RIBAO in Chinese 22 Aug 86 p 1

[Report by Liu Pu: "Vice Premier Wan Li Inspects Ningxia, Accompanied by Comrades Li Xuezhi and Hei Boli"]

[Text] Wan Li, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, inspected Ningxia on 20 August.

Wan Li came to our region to inspect work after attending the 3d National Games of Minority Nationality Traditional Sports. On the morning of 20 August, accompanied by Li Xuezhi, secretary of the autonomous regional party committee; Hei Boli, chairman of the regional government; and others, he traveled by helicopter to inspect the eastern mountainous area in Xiji County, the Guyuan-Haiyuan new irrigated area, and the Nanshapozwoi development zone in Zhongwei County.

All the hills in the Daping and Tianping areas in Xiji County are covered with green and luxuriant grass and trees and the small reservoirs which dot the area shine brightly under the sunshine like jewels. Full of interest, Wan Lin asked Li Xuezhi: "What place is this?" Li Xuezhi said: "Daping and Tianping in Xiji County." Li Xuezhi informed Wan Li of the county's efforts to grow grass and plant trees. With satisfaction, Wan Li said: "Well done. We must cover all the hills with greenery." While briefing him, Li Xuezhi said: "With the planting of grass and trees, the problem of fodder and fuels has been resolved, soil erosion reduced, grain output boosted, animal husbandry developed, and the peasants' income increased." Wan Li said: "Go ahead with the job. We should store our grain in mountainous areas, so as to be prepared for natural disasters. Apart from the state, the peasants are also encouraged to do so."

When Wan Li was inspecting Tongxin County, Li Zuezhi told him: "In the past, drinking water had to be shipped here from Zhongning County but now Tongxin people can drink water diverted from the Huang He." Wan Li was quite pleased to hear this information.

Defying his fatigue on the journey, Wan Li traveled by plane from south to north along the Guyuan-Haiyuan Water-Pumping Canal to continue his inspection tour. With a vast plain and newly established villages coming into view, Wan Li said: "You should make great efforts to develop the newly irrigated area, bring into play the strong points of the Huang He in building water conservancy projects, and develop a diversified economy. Engaging in the production of industrial crops is encouraged. While paying keen attention to grain production, we should develop a market garden [ting yuan 1656 7108] economy so as to boost people's income."

At noon, Wan Li went to Zhongwei County to inspect the Shabotou sand-fixation project.

Shabotou, with its bright and enchanting sunshine, shining yellow sand, blue sky, white clouds, green trees, and pink flowers, looks surpassingly beautiful. Wan Li excitedly said to Li Xhuezhi and Hei Boli: "Your experience in sand fixation is very good. Real knowledge comes from practice. Your experience deserves popularization." Grasping the hands of the comrade in charge of the Shabotou Desert Scientific Research Center, he expressed his sincere solicitude to the scientific and technical personnel who worked under harsh conditions and had made outstanding achievements in controlling sand. When visiting the exhibition of achievements gained in controlling sand, he said: "There are many rats here. Rats eat grain and young grass. You should catch and kill them and protect grass."

That afternoon, Wan Li inspected the situation in Yinchuan City. On Xiaochiyitiao Street he went into several shops and looked at the dresses, small articles for daily use, and household electric appliances there. When he drove to the Ximen National Unity Stele, Wan Li said: "The statue is very nice. Urban construction in Yinchuan City has developed rapidly. This is as it should be. In cities we should plant more grass and trees on all the land available for greening and set up more nurseries for young plants. Urban population should be brought under appropriate control."

Immediately afterward, in the Ningxia Guesthouse, Wan Li listened to a report given by the leading comrade of the region on the development of the newly irrigated section covering an area of "2 million mu" in Yinnan and Yinbei Prefectures. When Ma Yingliang, vice chairman of the regional government, briefed Wan Li on the work, the latter appreciatively said: "Fine. You have made use of the Huang He on a large scale."

In the evening, Comrade Wan Li watched the theatrical performances given by the regional song and dance troupe and acrobats from the Yinchuan City Acrobats Class. Happily he said to Li Xuezhi and Hei Boli: "A good performance by talented people. You should discover talented people, put them in important positions, and unite with them." When the performances ended, Wan Li and the regional leaders and performers had a group photo taken.

Inspects Work in Gansu

HK081059 Lanzhou GANSU RIBAO in Chinese 25 Aug 86 p 1

[Report by correspondent Zhang Jincheng and reporter Ma Shunlong and Huang Chengbao: "Wan Li Visits Gansu and Speaks Highly of the Province's Work"]

[Text] Wan Li, member of the Political Bureau of the CPC Central Committee and vice premier, made an inspection tour of Gansu from 18 to 20 August. Accompanied by provincial party committee Secretary Li Ziqi and Governor Jia Zhijie, Wan Li visited Dunhuang, Lanzhou, and the drought areas in central Gansu. He gave important instructions concerning the protection of cultural relics in Dunhuang, Lanzhou's urban planning and construction, and measures to be taken to combat drought in central Gansu. During his inspection tour, Wan Li was also accompanied by Zhao Xianshun, Li Xuanhua, Liu Bing, Wang Jintang, and other comrades.

Take Effective Measures To Protect the Cultural Relics in Dunhuang and Build a Tourist City With Distinctive Characteristics

When he arrived at Dunhuang, Comrade Wan Li told Governor Jia Zhijie: "I have not come here for pleasure, but to see our national treasure -- the Dunhuang Mogao Caves. I want to know how you are carrying out management and what measures have you taken to protect the caves." While in the Mogao Caves, Comrade Wan Li visited 10 caves and listened to the accounts given by the Dunhuang Cultural Relics Research Institute. When he discovered a crevice in the wall of cave No 158, he asked the people in charge of management about protective measures. The Dunhuang Mogao Caves are the magnificent historical, cultural, and artistic treasurehouse of our great motherland, Comrade Wan Li pointed out, and it is correct to open them to the public. It would be wrong if we do not open them to the public, but they cannot be opened without restrictions; otherwise, our cultural relics will be damaged. The question is: How should we take care of and protect these valuable cultural relics? We should introduce advanced foreign technology to protect the frescoes in the cave of 1,000 Buddhas. Tourist departments should not put profit before everything, Wan Li continued, but they should develop tourism on the basis of taking good care of and protecting the cultural relics and historical sites. He instructed Governor Jia Zhijie: The provincial government should consult with the cultural departments and work out effective measures to protect and make good use of Dunhuang's cultural relics and historical sites. While having a photograph taken with some comrades of the Dunhuang Cultural Relics Research Institute, Wan Li spoke highly of their work over the decades and their achievements made in studying and protecting cultural relics. Wan Li also viewed the county seat of Dunhuang, visited Dunhunag's cultural exhibition, and watched part of the "Silk Road" performance by the provincial song and dance ensemble. He pointed out that Dunhunag's cultural exhibition was well organized and it served as a window for foreign and Chinese visitors to understand Gansu. He highly appreciated the performance of the provincial song and dance ensemble. I watched the dance twice while performed in Beijing, he said. It was really an artistic treat. Comrade Wan Li was quite interested in the design of the waiting room of the Dunhuang Airport and the west building of the Dunhuang Guesthouse, and said that they had the characteristics of Dunhuang. The status of "Playing the Pipa" erected in the garden at the center of the count seat was a success. Wan Li said that Dunhuang County should be built into an international tourist city with distinctive Dunhuang characteristics, rather than develop "modern" buildings.

The Method of Contracting Barren Hills for Afforestation is Fine; the Area of Urban Afforestation Should Be Further Expanded

Despite the tiring journey, Comrade Wan Li went to Xigu, Binghe Avenue, and the north and south mountain areas to inspect work there immediately after he arrived in Lanzhou. During the 1950's, Comrade Wan Li was responsible for the planning and construction of more than 100 key state projects. He was keenly concerned with the distribution of the large enterprises in Lanzhou. He asked about the production of these enterprises and the role they have played. Comrade Wan Li personally signed and approved the plan for Lanzhou's urban construction so he was very anxious about the implementation of the plan. During the inspection tour, he made a careful investigation of Lanzhou's urban pollution and traffic problems. He visited the Lanzhou smeltery, the Lanzhou chemical plant, and the power plant in Xigu. Trees were planted on both sides of the roads and gardens were built at the center of the avenue. Wan Li was excited to see a modern industrial city built on land that lay barren in the past. Wan Li said that Xigu was beautiful and its afforestation was fine. While working out plans, we should have strategic foresight and create a civilized environment for our staff members and workers. In order to build Lanzhou and solve the problem of a shortage of qualified personnel, Wan Li said, the central authorities called on Shanghai to suppoort Lanzhou on several occasions during the 1950's. More than 6,000 people came to Lanzhou as a result of the mobilization. How are these comrades getting along after these 30 years? You should show them your utmost solicitude. I was told that Lanzhou intends to hold a meeting to commend the exemplary figures who came from Shanghai to support the construction in Lanzhou. Please convey my best regards to these comrades! When he passed along Binghe Avenue, Comrade Wan Li said: Han Suyin, a British writer, told me after her visit to Lanzhou not long ago: "Neat, tidy, and under proper management, Lanzhou is the most beautiful city in the Huang He Valley." In my opinion, Binghe Avenue is a first-rate avenue in the country. When they arrived at the Statue "Mother of the Huang He" near Xiao Xihu, Comrade Wan Li alighted from the car specially to admire the romantic charm of the statue. He told the comrades around him humorously: "Let us take a photo in our mother's arms." He said that Huang He is the symbol of the Chinese nation and the Huang He Valley is the place of origin of China's ancient civilization. It is indeed of great significance to erect this statue on the banks of the Huang He.

Comrade Wan Li, who is now over 70, walked with vigorous strides to the highest location in Lanshan Park. When he saw the green hills and trees planted on both sides of the streets, he said with excitement: Lanzhou has changed remarkably. I was here in 1984. You have really done a good job in turning the hills green, pumping water up the hills, and changing the look of the city within a short period of only 2 or 3 years. The Lanzhou City Party Committee Secretary Wang Jintang, who accompanied Wan Li, explained that during his inspection tour of Gansu in 1983, General Secretary Hu Yaobang pointed out that the "mountains and earth should be shaken" in growing grass and planting trees. The provincial party committee called on us to "shake" the Ganlan Mountain and the provincial and city organs first. With the method of dividing up the work and assigning a part to each unit and defining the tasks which would remain unchanged for a long time, we contracted the barren hills to over 280 organs and units. With the vigorous support of the Lanzhou Military Command and the provincial party committee and government taking the lead, we afforested an area of more than 3,500 mu and turned the barren hills green very soon. The frutiful results further enhanced the confidence of the masses. Wan Li said affirmatively: It is a good method to contract the barren hills to the leading organs for afforestation. He praised the provincial and city organs and the Lanzhou Military Region for taking the lead in the drive and said that all leading organs should follow their example. [paragraph continues]

Wan Li looked into the distance and discovered that there was still cultivated land on the slopes of Gaolan Mountain. He told the responsible comrade of the city party committee that the forest reclaimed into cultivated land should return to its original shape. Is it possible to turn the cultivated land back to forest? We cannot increase our grain output by that small pieces of land. We must be determined in turning the reclaimed land back to forest and in planting trees for economic purposes. You should gradually afforest the southern mountain ridges so as to join it with the Maxian Mountain and Xinglong Mountain. Wan Li got a bird's-eye view of the city and said that the afforested area is still limited. While attending the Lanzhou urban planning and construction exhibition in Baitashan, he pointed out that Lanzhou is a city with a population of 1 million, so afforestation should be a main item in urban planning. You should think of ways to expand the area of Lanzhou's afforestation. The rate of Lanzhou's afforestation now is only 17 percent. Can it be gradually increased to 30 or 40 percent? In urban afforestation, you should learn from Nanjing,

The Mountain Areas in Northern Dingxi Have Done a Good Job in Afforestation; Further Efforts Must Be Made To Develop the Foreign Aid Projects

On the morning of 20 August, Wan Li took a helicopter to inspect the Xinglong Mountain, Maxian Mountain, Dingxi Mountain areas and the irrigated grassland area of the Jinghui power pumping irrigation project. When Wan Li saw from the helicopter the sea of forest covering Xinglong Mountain, he said: It is no easy job for the dry Loess plateau to preserve such a large area of forests. You should protect the forests and gradually expand the area. Wan Li caught sight of the forest belt stretching along the Chedao mountain ridges and the lush trees growing in the gullies of the mountain slopes in Dingxi's Chankou and Shijiacha. He said that the mountain areas here have done a good job in afforestation. He then asked about Dingxi's rural economic results. Comrade Jia Zhijie replied: A few days ago we conducted an investigation of the mountain areas in northern Dingxi. Thanks to the party's good policies and the correct path chosen, the peasants in Shijiacha now have an average of 500 kilograms of grain per capita and an income of over 200 yuan per capita. Dingxi County has grown 610,000 mu of grass and planted 600,000 mu of trees over the past 3 years. The country's average per capita of grain is 375 kilograms and 90 percent of the peasant households have surplus grain. This is the way to solve the question of food and clothing for the peasants, Wan Li said in a cheerful mood. It is no easy job for the drought areas to reach such a level. Jia Zhijie explained that this is just the beginning and our achievements are not yet stable so we must make further efforts to lay a solid foundation. We are trying to obtain loans from the World Bank to help the mountain areas in Dingxi solve their drought problems. In support of their efforts, Wan Li said, you have done a good job. When the helicopter approached the 65,000-mu Bai irrigated grassland area, Wan Li saw half of the area covered with forests, farmland shaped in squares, and the well-laid-out newly-built villages. He said that the farmland in this irrigated area is properly leveled and it now takes on a new look. Jia Zhijie explained that this is a FAO-sponsored project. Since the reconstruction of the Xicha water conservancy project in Gaolan in 1983, we have respectively built four large water conservancy projects in Liuchuan, Xingbao, and Nanlingqu with FAO aid. After completion, these projects will help irrigate 360,000 mu of farmland in the central drought area. Wan Li affirmed the work of striving for foreign aid. Regarding the grain and edible oil offered by the FAO, you have adopted the method of providing work as a form of relief, which resolved the difficulties of the peasants in poverty-sricken areas as well as built the water conservancy projects. The representative of the FAO spoke highly of your efficiency and efforts on many occasions. I intended to personally witness your work long ago. As these projects bring benefits to the people, the comrades in charge of water conservancy work should pay great attention to quality. The projects should be properly built and completed as early as possible so as to thoroughly eliminate drought in these areas. [paragraph continues]

Wan Li asked in detail about the price of electricity in the irrigated areas and the amount of electricity consumed annually for irrigating every mu of land. He said that the price of electricity is very cheap here.

After inspecting Gansu's grass-growing and tree-planting work, animal husbandry, and the central drought areas, Comrade Wan Li definitely affirmed the strategic shift effected in Gansu's agricultural development over the past few years. Gansu attached importance merely to grain in the past, he said, but failed to increase output. In recent years, you have broken established conventions, grown grass and planted trees, and developed animal husbandry. As a result, grain output has increased for 3 years running. This shows that you have selected the correct path and have done work in a down-to-earth manner. This is the way you should do your work.

FANG YI VISITS, INSPECTS LANZHOU CITY 7 SEP

HK080255 Lanzhou Gansu Provincial Service in Mandarin 2200 GMT 7 Sep 86

[Text] State Councillor Fang Yi inspected work in Lanzhou City on 7 September and also toured the city. He arrived in Lanzhou after attending the conference on science and technology for the comprehensive exploitation of the resources of Jinchuan.

Comrade Fang Yi is very concerned for industrial and agricultural production and construction in Gansu. He has visited the Jinchuan company 8 times to provide personal guidance, sum up the company's experiences in reform, and speed up the building of China's nickel base.

On 7 September, Comrade Fang Yi paid a special visit to the No 1 hospital affiliated to the Lanzhou Medical college to see (Yang Chengzhong), director of the [word indistinct] Physics Research Institute of the Academy of Science, who is recovering from illness there. He praised the institute for its success in neutron and ion research and the role played by the institute in attracting talent and speeding up the building of Lanzhou. He also visited vice Governor Nian Dexiang, who is also recuperating in the hospital.

In the afternoon comrade Fang Yi toured (Dinghe) Road and other places by minibus. He visited the industrial hall of the provincial museum. While visiting the Nanshan Park, he suggested that more tourists be attracted there by exhibiting the works of well-known painters and calligraphers.

Comrade Fang Yi was accompanied by provincial party committee secretary Li Ziqi, Governor Jia Zhijie, Lanzhou City CPC Committee Secretary Wang Jintang, and others.

GUANGDONG DEVELOPS OPEN-STYLE RURAL ECONOMY

HK090457 Guangzhou Guangdong Provincial Service in Mandarin 0300 GMT 9 Sep 86

[Text] A responsible comrade of the provincial agricultural department recently revealed in an interview that a new momentum of open-style agricuture with accelerated development of commodity economy is appearing in the provinces's rural economy. Changes are also occurring in the peasants' economic concepts. The previous production methods of stressing self-sufficiency are also gradually being replaced by the commodity concept of agriculture.

According to this responsible person, rural economic development in Guangdong can be divided into the following regional categories:

1. The Zhu Jiang Delta area, where the economy is relatively developed. Rural economy there is currently developing from agriculture-industry-commerce to trade-industry-agriculture. The rural economy has said farewell to the closed-style natural economy and is developing toward an outward-oriented and open-style structure. Most of the farmland, forests, fishponds and so on are being gradually concentrated in the hands of expert operators. Agriculture is becoming intensive and diversified. The area has initially formed a setup in which trades assist each other, and industry stimulates, supports, and builds agriculture.

2. The 47 mountain counties, where the rural areas have initially changed their traditional single-product economic methods and are working to promote diversification and develop the mountain economy.

3. The coastal areas, where the peasants rely on technology to vigorously exploit the shore areas to raise famous high-quality aquatic products and develop their processing. According to statistics from the 42 coastline counties, total output of aquatic products last year was 800,000 tons, an increase of nearly 80 percent over the 1980 figure.

GUANGDONG DELTA BENEFITS FROM RURAL LABOR INFLUX

OW081152 Beijing XINHUA in English 1019 GMT 8 Sep 86

[Text] Guangzhou, September 8 (XINHUA) -- The Pearl River Delta, one of the best developed areas in China, has become a magnet for outside farmers looking for needed work, money and technology. The delta in Guangdong Province, which encompasses 16 counties, neighbors on Hong Kong and Macao. Local officials attribute the area's prosperity in part to government encouragement to peasants there to develop export-oriented industry and agriculture to serve Hong Kong, Macao and foreign markets.

Nearly half a million laborers from less developed areas outside the delta and a dozen other provinces, have found jobs in rural factories, the service industry, fish and poultry breeding and fruit and other cash crop growing. The rapid development of rural industry in the delta has greatly promoted economic development, but has also brought on a labor shortage, the officials said.

Dongguan City in central south Guangdong has more than 100,000 outside laborers, mainly farmers, and notices for job openings can be seen everywhere on the street, said a city official. This has made workers choosy, and factories with hard working conditions are facing labor shortages, the officials added.

Baoan County, part of Shenzhen, one of China's four special economic zones open to foreign investment and technology, has taken in 160,000 outside workers. Among them, more than 6,000 fruit and vegetable growers from Chaozhou-Shantou plain in northeastern Guangdong have brought in fruit and vegetable growing techniques and high-quality varieties of oranges.

Luoding County, in the province's hilly western region, has contracted its surplus laborers out to work on delta construction projects. The 40 million yuan (10.8 million U.S. dollars) earned from the work in 1984, has been used to build more than 200 small hydropower stations and support other rural industry projects in the county. "The labor export has not only brought us economic benefits, but also experience and technology from the developed areas," a country government official told XINHUA.

As a result, average income for peasants soared to 432 yuan last year, compared with 95 in 1978, and surpassed the national average of 397. According to local labor management departments, most laborers in the delta are hired through notices, introduction by friends and relatives, and labor contracts between labor management departments.

TYPHOON DOES SERIOUS DAMAGE IN HAINAN ISLAND

HK090159 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1400 GMT 7 Sep 86

[Report: "Typhoon No 16 Brings Serious Damage to Six Counties and One City in Hainan Island"]

[Text] Guangzhou, 7 Sep (ZHONGGUO XINWEN SHE) -- The latest report from Hainan Island says that typhoon No 16 left 2 people dead, 3 missing, and 52 injured and caused about 210 million yuan direct economic damage to the island.

It is the most violent typhoon to have hit Hainan Island so far this year. Six counties and one city, including Wenchang and Qionghai, the principal native places of Overseas Chinese, Qiongshan, Haikou, Chengmai, and Danxian, suffered serious losses. According to statistics from the relevant departments, the typhoon blew down or damaged 76,463 houses, flattened or flooded 560,000 mu of paddy rice, blew down 580,000 mu of sugar cane and 8.43 million rubber trees, overturned or wrecked 38 fishing boats, damaged 36 water conservancy and hydroelectric power projects, burst dikes and ditches in 134 places, broke 2,088 high- and low-tension wire poles, and damaged 864 km of power lines.

The late hybrid rice in some parts of Qionghai and Wenchang counties suffered substantial losses because it was in the heading and flowering stage. In Wenchang County, there was 220 mm of rainfall and some streets and roads in the county were flooded. In Chengmai, Qionghai, and other counties, vast expanses of farmland were flooded. In Haikou City, up to 100 factories were forced to stop work and several thousand mu of vegetable fields were flooded. The aircraft of the Haikou Civil Aviation Station and the passenger ferry from Haikou to Guangzhou had to suspend services.

After the typhoon hit, responsible persons of the Hainan Administrative Regional Government led personnel of the relevant departments to the disaster areas to help various counties tide over from the natural disaster. Electricity and water supplies have returned to normal in Haikou City today. Workers have returned to work and the markets are carrying on business as usual. Regular flights and passenger ferries from Haikou to Hong Kong have resumed services.

HUBEI FORECASTS DEMAND FOR TALENTED PEOPLE

HK081340 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 7 Sep 86

[Text] Yesterday, the provincial government held a telephone conference to forecast our province's demand for talented people and to work out a 15-year plan for education development, stressing that it is necessary to do three aspects of work well, namely: To clearly understand the situation of our province; to forecast the demand for talented people; and to formulate a plan.

During the telephone conference, Liang Shufen, vice governor and head of the Provincial Leadership Group for Planning for Talented People, said: To clearly understand the situation in our province is to clearly investigate the situation of the people with professional skills and the cadres of our province. To forecast the demand is to do a good job in forecasting the demand of all trades and professions for talented people of all kinds. To formulate a plan is to work out a 15-year plan for education development and corresponding plans for all departments, for talented people.

Liang Shufen demanded that all prefectures, cities, autonomous prefectures, and counties and departments concerned at the provincial level must really strengthen leadership and, in the light of the province's actual situation, make unified arrangements, overcome all difficulties, and successfully accomplish this task of important strategic significance.

HUNAN LEADERS ATTEND TEACHER DAY RALLY

HK081210 Changsha Hunan Provincial Service in Mandarin 2200 GMT 7 Sep 86

[Excerpts] Teachers and representatives from all circles in Changsha, totalling over 1,200 people, held a grand mass rally yesterday morning to mark this year's teachers' day. Responsible comrades of the provincial party committee, the provincial Advisory Committee, the provincial People's Congress Standing Committee, the provincial government, the provincial CPPCC Committee, and provincial Military Ditrict, Mao Zhiyong, Liu Zheng, Wang Xiangtian, Jiang Jinliu, Xia Duanzhong, Li Jianguo, Liu Yanan, Kong Anmin, and Yin Changmin attended the rally.

The rally was sponsored by the provincial party committee and the provincial government. Wang Xiangtian, Standing Committee member of the provincial party committee and vice governor, first read a decision of the provincial people's government on awarding certificates of honor to the teachers in the province who have engaged in educational work for more than 30 years. [passage omitted]

On behalf of the provincial party committee and the provincial government, provincial party committee deputy secretary Liu Zheng extended holiday greetings to all teachers in the province.

In his speech Liu Zheng put forward several proposals for the province's education, demanding that party committees and governments at all levels in the province and all fields resolutely implement the resolution of the provincial party committee and government on increasing educational funds and ensure a steady growth in educational funds in five fields. [passage omitted]

Also attending the rally were responsible comrades of Changsha City party committee, the Changsha City government, the relevant provincial departments, all universities and colleges, and (Li Wei), deputy chief of the central organs lecturers delegation. [passage omitted]

SICHUAN CPC SECRETARY INSPECTS COOPERATIVE

HK081001 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 6 Sep 86

[Excerpts] Provincial party committee Secretary Yang Rudai recently inspected the work of the (Huaikou) District supply and marketing cooperative in Jintang County. He fully affirmed what the cooperative did in switching itself from an official-run organization to a people-run one in reform of the economic structure and in playing its role as the main channel in commodity circulation over the past few years. [passage omitted]

After listening to a reporter, Comrade Yang Rudai inspected the sales department and the flour processing factory of the cooperative and some repair service shops run by peasants. He delightedly told the leaders of Jintang County and comrades of the cooperative: Rural grass-roots supply and marketing cooperatives must follow your example and give technological guidance to peasants, assist them in funds supply, and maintain prices in developing the rural economy. Cooperatives must guarantee to purchase all products from peasants and provide peasants with various systematic services. Only thus can they truly become peasants' supply and marketing cooperatives.

SICHUAN COUNTY REFORMS PARTY, GOVERNMENT SETUP

HK060151 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 5 Sep 86

[Excerpts] The Anxian County CPC Committee has first delegated powers and then streamlined the administration in the course of streamlining the organs, and has carried out reform of the party and government organs of the county, townships, and towns from top to bottom and from inside to outside, thereby probing a new path in structural reform.

While carrying out party rectification, this county analyzed the defects of streamlining the organs in recent years, which amounted only to changing the signboards. It found that failure to delegate powers was the main reason for the fact that the more the organs were streamlined, the larger they became, the more government affairs were reduced, the more irksome they became, and the more the personnel were reduced, the more numerous they became. The county party committee therefore decided to begin streamlining the administration by delegating powers, to extricate the party and government organs from a mass of irksome business and truly turn them into leading organs able to make macroeconomic policy decisions based on the overall situation.

The county authorities delegated to the grass roots the powers belonging to the grass roots in respect of personnel, finance, and material, and production, supply, and marketing, and set up financial authorities at township level. [passage omitted]

The results of these reforms have seen 18 powers delegated to the grass roots. Following these reforms, the county party committee readjusted the work department from inside to outside and gradually abolished or amalgamated them. With the approval of the upper-level responsible department, the county has abolished 4 districts and 14 townships and amalgamated them into 7 towns. The number of township and town organs has now been reduced from 32 to 20. The number of township and town leaders has been reduced from 57 to 24.

Within the county organs, five departments in charge of various sectors have been abolished or amalgamated.

HEBEI RIBAO ON IMPLEMENTING HU YAOBANG INSCRIPTION

SK090507 Shijiazhuang HEBEI RIBAO in Chinese 21 Aug 86 p 1

[Editorial: "Bring Forth New Ideas in Dealing With Concrete Matters Relating to Work, and Unite in Advancing Bravely"]

[Excerpts] Hu Yaobang, general secretary of the CPC Central Committee, recently wrote an inscription for Hebei reading "Bring Forth New Ideas in Dealing With Concrete Matters Relating to Work, and Unite in Advancing Bravely." Being compendious but with a profound meaning, this inscription fully manifested the party Central Committee's concern for and great expectations on the party organizations and people throughout the province. Conscientiously studying, understanding and implementing the guidelines of the inscription has an important immediate and far-reaching significance in consolidating and developing the excellent situation of our province, facilitating the great cause of reform and four modernizations, and further developing the new situation in rejuvenating Hebei. [passage omitted]

When the party's political line was defined, cadres became a decisive factor. The way of thinking, the work styles and mental attitude of cadres at all levels throughout the province, leading cadres in particular, have a bearing on the success and failure, and the rise and decline of Hebei's reform and four modernizations. Fundamentally speaking, this is an issue concerning world outlook. When studying and implementing Comrade Hu Yaobang's inscription, party committees at all levels should organize the masses of cadres to conscientiously study the basic Marxist theory in line with the reality in their ideology and work, and in particular, thoroughly study the series of important documents of the central authorities issued since the 3d Plenary Session of the 11th CPC Central Committee in order to improve the ideological and political standards of the cadres' contingents. Leading bodies at all levels are very important to our efforts to improve the way of thinking, the work styles and mental attitude of the cadres' contingents. Only when all leading bodies take the lead, exert long-term efforts, and set strict demands can they establish good common practices among the cadres' contingents.

The way of thinking, and the work styles of the masses of cadres of our Hebei Province have shown continuous improvement over the past few years, and encouraging achievements have been scored in the work of various fields. However, we should also remain clear-headed and note that our cadres' contingents still lag behind and have many problems when judged by the guidelines of Comrade Hu Yaobang's inscription. For example, a small number of cadres are politically slow, conservative in thinking, and not conscious of reform and creating the new; some lack enterprising spirit and a sense of responsibility, thinking only of holding official posts rather than doing pioneering work; some seek comfort, fear difficulty, and evade risk, thinking only of serving as mediocre officials who let things take their own course; some do not strive to maintain unity in the interest of the overall situation, and lack democratic work styles, creating misunderstanding and a tense and oppressive atmosphere among cadres; some are listless, slack in abiding by discipline, "minimize the overall goals and maximize their personal goals," seek selfish interests, drift along aimlessly, and make no progress; and some have an appetite for formalism and flourishes, making false and exaggerated talks. Such ways of thinking, work styles, and mental attitude are extremely incompatible with today's new situation in reform, opening to the outside world, and enlivening the domestic economy. If they are not changed, how can our reform be successful, and how can our economy leap? Therefore, only when we clearly understand the situation, and find out where we lag behind can we arouse our spirit, adopt measures and advance more successfully.

At present, an important task confronting party committees at all levels of our province is to strive by all possible means to implement the guidelines of Comrade Hu Yaobang's inscription. Recently, the provincial party committee pioneered a study class for prefectural, city and county party secretaries to learn the two major skills with the methods of developing democracy and integrating theory with practice, and sum up and exchange their experiences in the study. This was a successful experiment in upgrading the ideological and political standards of the cadre's contingents. All prefectural, city and county party committees, and provincial departments should adopt this successful experiment of the provincial party committee. They should adopt the important way of both scaling heights and going deep into the grass roots, put it into practice, studying it and summing up experiences in it simultaneously, and organize cadres to master the two major skills in a down-to-earth manner. The provincial party committee has worked out plans for training cadres in all levels throughout the province in high quality and standard in this and next year. This is also an important measure for upgrading the ideological and political standards of the cadres' contingents. All party committees should attach importance, and continuously create good and effective methods and experiences. [passage omitted]

SHANXI PLA COMPANY APPLIES MAO ZEDONG THOUGHT

HK090357 Taiyuan Shanxi Provincial Service in Mandarin 2200 GMT 8 Sep 86

[Text] The Red 1st Company of a certain group Army of the Beijing Military Region stationed in Shanxi has persevered in studying Mao Zedong thought over the past several decades. It has applied the scientific system of Mao Zedong thought to educate the unit and guide its building. As a result this company has consistently maintained its honor title of being Red in thinking and skilled in technology.

This was a Red Army company during the Jinggangshan period. During the years of the revolutionary war, the personnel, who were armed with Mao Zedong Thought, won many battle honors in climbing snowy mountains, crossing the marshes, defeating stubborn enemies, and fighting the Japanese. During the 1960's, the company whipped up an upsurge of studying Mao Zedong Thought and twice emerged as winners during major contests of arms of the military region.

In the 1980's, there have been repeated changes of personnel among the company's cadres and fighters, but the company has never forgotten its glorious traditions and has persevered in applying Mao Zedong Thought to educate the unit. The cadres and fighters have been organized to Mao Zedong's works. This has stimulated the building of the two civilizations in the company. The party branch has been assessed as advanced for the past 5 years. The company has twice won collective 3d-class merits. In 1985, the company attended the representative meeting of advanced units of Beijing Military Region.

During that year (Xiao Jinmin), commander of the 7th squad, applied the scientific system of Mao Zedong Thought to teach the fighters of the squad to do a good job in management. As a result the squad has made rapid progress in study and training, and it was assessed an advanced unit by the regiment. In March this year, (Xiao) led the squad in taking part in a contest held by the group army, and won first place. The whole squad won a collective 3d-class merit, while (Xiao) was assessed a standard-bearer squad leader and an outstanding party member. In May, he was sent to study at a military academy.

GANSU MEETING DISCUSSES INDUSTRIAL TASKS

HK090252 Lanzhou Gansu Provincial Service in Mandarin 2200 GMT 8 Sep 86

[Excerpts] The provincial Economic Commission held a telephone conference on industrial production on the evening of 8 September. Wang Xinxiang, chairman of the commission, reported on progress in the province's industry in the first 8 months of the year and called on all departments to take decisive action in light of weak links in the enterprises and strengthen production in the last 4 months of the year so as to ensure the fulfillment of the year's plans.

Gansu's industrial output from January to August amounted to 8.137 billion yuan, an increase of 6.33 percent over the same period last year. This was a good achievement. However, for various reasons, certain enterprises failed to accomplish the required rate of progress, and some lagged quite a long way behind. This has therefore increased the task for the next 4 months.

According to a check on the industrial production plan for the year, output value of 4.03 billion yuan must be completed in the last 4 months of the year. The task is extremely arduous. Wang Xinxiang called on all areas and departments to focus on the following tasks:

Production must be organized for every 10-day period and every month in light of the demand for ensuring an 8 percent increase, and the goals for the 4th quarter must be firmed up for the enterprises as soon as possible. Enterprises whose products enjoy good sales outlets and whose raw material sources are assured should strive to exceed their output plans. Enterprises where there is a considerable shortfall must strive to produce more, so as to reduce the pressure on the province as a whole. Enterprises whose products do not sell well must speed up the development of new products and strive to get them into production at an early date. [passage omitted]

In the next 4 months it is necessary to reduce stockpiles, speed up the circulation of capital, and achieve good economic results.

LARGE LEAD-ZINC PLANT BEING BUILT IN GANSU

OW090750 Beijing XINHUA in English 0623 GMT 9 Sep 86

[Text] Lanzhou, September 9 (XINHUA) -- Constructon has begun on China's largest primary processing plant, the southwest China lead and zinc smeltery, in Gansu Province. An aluminum plant is also being built in the same location.

Listed as one of the state's key projects in the Seventh Five-Year Plan (1986-90), the two plants are being built by the Baiyin Non-Ferrous Metal Company.

The first phase of construction, which will be completed in 1988, required an investment of 720 million yuan (195 million U.S. dollars). The company will turn out more than 300,000 tons of non-ferrous metals a year when the project is fully completed in 1990.

Much of the equipment being installed in the two plants has been imported from abroad. The heavy machinery matches international standards of this decade.

QINGHAI PROVINCE HONORS TEACHERS AT GATHERING

HK081316 Xining Qinghai Provincial Service in Mandarin 2230 GMT 6 Sep 86

[Excerpts] Yesterday [6 Sept] afternoon, the provincial party committee and provincial government held a gathering to mark Teachers' Day and to commend nearly 300 outstanding teachers, 25 advanced collectives which had respected teachers, and 11 personages of various circles in society who had made donations enthusiastically to develop the educational work. The gathering was held in Kunlun Guesthouse. Approximately 400 representatives of the outstanding teachers in Xining, and of educational circles of all autonomous prefectures and counties, attended the gathering. Leading comrades, including Yin Kesheng, Bian Yaowu, Ma Wanli, Qiang Jianhua, Ma Wending, Wu Chengzhi, Fang Xin, Liao Aiting, Song Bu, Huang Taixing, and Han Shenggui, awarded citations, certificates, and boards to the outstanding teachers, advanced collectives, and personages in society who had made donations to develop education.

Vice Governor Bainma Dandzin delivered an ebullient speech. On behalf of the provincial party committee and provincial government, he extended festive greetings to all teachers and workers and expressed gratitude to the personages from various circles who had contributed toward the educational cause of our province. [passage omitted] Bainma Dandzin hoped that the party committee and government departments at all levels would do some practical and good things for education and help the teachers erase worries and resolve difficulties in a down-to-earth manner. They must think of teachers not only on Teachers' Day.

After the gathering concluded the provincial Education Department and provincial Education Trade Union held a tea party. Performers from the Xining City Song and Opera Troupe gave brilliant literature and art performances for the teachers.

SHAANXI SECRETARY MEETS CULTURAL RELIC WORKERS

HK081334 Xian Shaanxi Provincial Service in Mandarin 2330 GMT 6 Sep 86

[Excerpts] In the hall of the eastern courtyard of the provincial party committee on the evening of 4 September, provincial party committee Secretary Bai Jinian met cultural relics workers, experts in museology, and archaeologists from our province; experts and scholars of some universities and colleges and scientific research departments; and well-known personages. He encouraged them to contribute toward creating a new situation in the cultural relics field in our province.

Those he met included (Wu Fuolun), well-known historian, who is over 80 years old; (Shi Qingfang) and (Liu Shije), well-known archaeologists; (He Quiling) and (Zhao Shiyin), experts in appraising bones; (He Zhenghuang), expert in museology; (Liu Changqing) and (Chen Zequn), experts in appraising cultural relics; (Zhang Jingqui), senior architectural designer; and (Qu Mingqi), (Liu Zhihe), and (Huang Younian), famous scholars, totalling some 30 people.

During the meeting, Comrade Bai Jinian said: Over a long period of time, we have not had a complete formulation of the guiding principle of cultural relics. The guiding principle of scientific protection and vigorous utilization which was proposed this time at the provincial conference on cultural relics work was formed after the provincial party committee repeatedly held consultations and listened to the views of experts and scholars. The provincial party committee Standing Committee has ruled that this guiding principle is correct and must be adhered to.

In dealing with the issue of how cultural relics work can serve the four modernizations, Comrade Bai Jinian pointed out that to vigorously utilize cultural relics, there are several main aspects as follows:

1. To serve to educate our descendants;

2. To serve to publicize our great nation's ancient culture, the exchange of international culture, and the cultural development of the whole of mankind;

3. To serve to invigorate Shaanxi's economy, the development of the tourist cause, and the building of international scenic spots with cultural relics as special features [passage omitted]

Mou Lingsheng, deputy secretary of the provincial party committee; Mao Shenxian, member of the provincial party committee Standing Committee and director of the Propaganda Department of the provincial party committee; and Sun Daren, vice governor, were present at the meeting.

LANZHOU PLA HOLDS SPIRITUAL CIVILIZATION MEETING

HK080343 Urumqi Xinjiang Regional Service in Mandarin 1200 GMT 7 Sep 86

[Excerpts] A Lanzhou Military Region symposium on joint army-people efforts to build spiritual civilizaton opened in Kashi yesterday. Present were responsible comrades of Xinjiang, Shaanxi, Gansu, Ninxia, and Qinghai Military Districts, military academies and schools in the northwest, and relevant sectors of the PLA General Political Department.

Liu Haiqing, deputy commander of Lanzhou Military Region and commander of Xinjiang Military District, spoke at the opening of the meeting. [passage omitted] He said: The practice of the past 5 years has proven that launching joint army-people efforts to build spiritual civilization fully accords with the party's goal of endeavor in the new historical period and with the program for our army building; it meets the desires and demands of the masses of all nationalities, and has effectively stimulated a turn for the better in social mood and the unity of army and government, army and people, and of the various nationalities.

Song Hanliang, secretary of the regional party committee and first secretary of the Xinjiang Military District CPC Committee, pointed out in a speech: That the Lanzhou Military Region is convening this meeting in Kashi is a great review and stimulus of the drive for the joint building of spiritual civilization by the army and people in Xinjiang. [passage omitted] So far there are 1,700 points in the region where spiritual civilization is being jointly built by army and people. These activities have stimulated the continual development of reforms and economic construction and promoted a further turn for the better in party style and social mood in Xinjiang.

Song Hanliang said: The regional party committee and the Military District party committee recently issued a joint circular calling for all units and PLA units in the region to further launch these activites, continually study the new conditions, promptly solve new problems, and sum up and exchange good experiences, to ensure the continuous and ever-deepening launching of these activities.

Also present at the meeting were Pei Jiuzhou, deputy political commissar of Lanzhou Military Region; Janabil, deputy secretary of the Xinjiang regional party committee; and Tang Guangcai, political commissar of Xinjiang Military District. [passage omitted]

HONG KONG

PRC BASIC LAW DRAFTERS MEET IN HONG KONG

HK050743 Hong Kong SOUTH CHINA MORNING POST in English 5 Sep 86 p 24

[Text] Beijing-appointed Basic Law drafters met for the first time in Hong Kong yesterday since the Basic Law Drafting Comittee was fromed 14 months ago to hammer out the post-1997 constitution for the territory.

The sub-group session, co-convened by Hong Kong member Dr Ma Lin and mainland member Mr Qian Weichang, was aimed at mapping out detailed plans to canvass the views of the community in the areas of culture, science, education, religion, sports and accreditation of professional standards.

Unlike previous full sessions and sub-group meetings, which have all been held on the mainland and which sparked some controversy, yesterday's session at the Chinese University went smoothly.

Mr Qian and another mainland member, Mr Xu Songde, began a week-long opinion-gathering drive after the opening session yesterday. He will reveal his findings when the meeting resumes on Thursday.

Hong Kong members gave a briefing to their Chinese counterparts during the two-hour session.

HONG KONG GOVERNOR YOUDE DEPARTS FOR LONDON

HK090223 Hong Kong SOUTH CHINA MORNING POST in English 9 Sep 86 p 2

[Text] The Governor, Sir Edward Youde, and four unofficial members of the Executive council [Exco] left for London last night to hold talks with British ministers to review generally the developments in Hong Kong and the implementation of the Joint Declaration.

The only words Sir Edward Youde said to the press before he left were: "See you when I get back."

Seeing them off were Chief Secretary Sir David Akers-Jones, Directcor of Protocol Sir Mark Health and Director of Information Services Mr John Chan.

Other Exco members who left last night were acting senior Unofficial member of Legco [Legislative Council] Mr S.L. Yen, Miss Maria Tam, Mr Allen Lee and Sir Michael Sandberg.

Sir Edward and his Exco advisers are due to meet that Prime Minister, Mrs Margaret Thatcher, the Foreign Secretary, Sir Geoffrey Howe, and the Foreign Office Minister Responsible for Hong Kong, Mr Timothy Renton.

Sir Edward and his delegation are expected to touch upon issues such as the forthcoming political review in Hong Kong as well as passing on local view on the controversial Daya Bay nuclear plant.

MACAO

PRC-PORTUGAL TALKS ON MACAO IN BEIJING 9-10 SEP

OW090614 Beijing XINHUA in English 0554 GMT 9 Sep 86

[Text] Beijing, September 9 (XINHUA) -- China and Portugal began their second round of talks on the settlement of the Macao issue at the Diaoyutai State Guesthouse here this morning.

Attending the talks were Chinese Government delegation headed by Vice-Minister of Foreign Affairs Zhou Nan and the Portuguese Government delegation headed by Ruy Medina.

Octavio N. Valerio, advisor to the Portuguese delegation and Portuguese ambassador to China also attended.

The talks are scheduled to last two days. The first round of talks was held on June 30 and July 1 this year here.

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FOREIGN MINISTRY HOLDS WEEKLY NEWS BRIEFING

Queen Elizabeth To Visit

OW100756 Beijing XINHUA in English 0748 GMT 10 Sep 86

[Text] Beijing, September 10 (XINHUA) -- Her Majesty Queen Elizabeth II of the United Kingdom of Great Britain and Northern Ireland and His Royal Highness Prince Philip, duke of Edinburgh, will pay a state visit to China from October 12 to 18, 1986 at the invitation of Chinese President Li Xiannian. This was announced by a spokesman for the Chinese Foreign Ministry at a weekly press conference here this afternoon.

Wu Xueqian to UN

OW100800 Beijing XINHUA in English 0749 GMT 10 Sep 86

[Text] Beijing, September 10 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian will lead the Chinese delegation to attend the 41st Session of the General Assembly of the United Nations and the special session of the U.N. General Assembly on the question of Namibia in mid September. A Foreign Ministry spokesman made this announcement at the weekly press briefing here this afternoon.

Macao Talks Press Communique

OW100814 Beijing XINHUA in English 0808 GMT 10 Sep 86

[Text] Beijing, September 10 (XINHUA) -- A press communique on the second round of talks between China and Portugal concerning the settlement of the Macao question was announced at the weekly news briefing here this afternoon. The communique says that the government delegation of the People's Republic of China and the government delegation of the Republic of Portugal held the second round of talks on the settlement of the Macao question in Beijing on September 9 and 10. The two sides have discussed in a friendly and cordial atmosphere substantial matters under each agenda item and progress has been made. The two sides decided to hold the third round of talks in Beijing in the second half of October 1986, the communique notes.

According to another press communique released by the Foreign Ministry spokesman at the news briefing today, Vice Foreign Minister Zhou Nan will pay a friendly visit to Portugal in November this year at the invitation of the Portugal Government.

NONALIGNED OPPOSITION TO BOTH SUPERPOWERS VIEWED

OW051004 Beijing XINHUA in English 0930 GMT 5 Sep 86

["Roundup: Non-Aligned Movement's 'Moral Sword' by Yao Yun" -- XINHUA headline]

[Text] Harare, September 4 (XINHUA) -- The United States has been an easy target of criticism by leaders of non-aligned countries since the 8th summit conference of the Non-Aligned Movement (NAM) began on September 1.

The rude reaction of the U.S. Government to the public criticism yesterday has landed itself in a more unfavorable position.

According to reports from Washington, a U.S. State Department spokesman yesterday described the NAM criticism as "a litany of arbitrary and unfounded charges" against U.S. foreign policy, and said that the NAM's critique of U.S. behaviour is "highly offensive and counter-productive."

The spokesman also reaffirmed that U.S. aid to Zimbabwe will be slashed by two thirds in fiscal year 1986. He said that the decision dates back to July, and to U.S. reaction to a speech critical of U.S. southern Africa policy read by Zimbabwean Minister of Youth, Sports and Culture David Karimanzira at a reception to mark the U.S. national day.

The U.S. attack on the NAM and its pressure on Zimbabwe cannot but arouse the indignation of NAM members at Washington. Zimbabwean Minister of Information, Posts and Telecommunications Nathan Shamuyarira told a press conference yesterday that the U.S. position against the NAM has been consistent and Zimbabwe is not surprised by the U.S. attack.

"From the very beginning the United States has been against NAM. When the movement was first launched in 1961, former Secretary of State John Foster Dulles rejected it as immoral," the minister pointed out.

In response to the U.S. attack, messages of support are pouring in from delegates and Zimbabwean Prime Minister Robert Mugabe, chairman of the movement, is expected to react to the U.S. move later this week.

Diplomatic observers and news media here had long predicted that the United States would bear the brunt of criticism at the non-aligned summit. Since the beginning of the conference, NAM leader in their speeches have strongly denounced the superpowers for arms race and pursuing hegemonism, severely condemned Pretoria's apartheid policy, made an exhaustive analysis of the critical situation in the Middle East and Central America, and complained about their economic woes. All these are directed at the United States.

Cuba, Libya and Syria are the countries which spoke most strongly against the United States. Cuban leader Fidel Castro led the criticism of the United States on September 2 when addressing the conference. His anti-Americanism was echoed by Syrian First Vice-President 'Abd al-Halim Khaddam the following day. The sentiments against the United States and its allies reached a climax today when Libyan Leader Mu'ammar al-Qadhdhafi slammed Washington in a manner characteristic of him. He even proposed the formation of international troops to fight U.S. imperialism everywhere in the world.

It is shared needs and interests that brought the three countries to a common position against the United States and concerted their actions. Before the summit, the foreign ministers of Syria, Libya and Iran met in Tripoli to work out their strategy at the conference. Yesterday, leaders of Cuba, Libya and Iran met here again to consult each other. It is reported that they are trying to have a separate resolution adopted by the summit to condemn U.S. acts of aggression and U.S. actions of weakening the role of the United Nations. But it is unlikely that their plan will materialize.

It is true that the other superpower has so far received less criticism. But in their speeches many leaders referred to the confrontation and rivalry between the two superpowers and voiced opposition to hegemonism and bloc policy. Obviously, in the view of these leaders, both superpowers are equally responsible for these issues. The leaders also called for foreign troop withdrawal from Afghanistan and Kampuchea, in what is an explicit allusion to the Soviet Union and Vietnam.

Singapore Foreign Minister Suppiah Dhanabalan, who waived his right to address the summit, stressed in a written statement circulated at the conference that the Non-aligned Movement should oppose aggression and expansion of both superpowers. He said when the movement was born, both superpowers labelled its principles as unrealistic and immoral. But today, one of the superpowers extols the movement. The Soviet Union, he added, hopes that the moral sword of the movement would be employed against the United States alone.

Today, the foreign minister told the press that "the logic of the Soviet occupation of Afghanistan and the Vietnamese occupation of Kampuchea are absolutely ridiculous. They invaded the countries, they occupied the countries, but when the people in the countries resist, they say 'we are here because we are resisted and when resistances stop, we'll go.' "He said such a logic is just like that of a burglar.

The principles of the Non-Aligned Movement determine the non-bloc, non-alignment character of the movement. They imply struggle against imperialism, colonialism, hegemonism and racism, opposition to aggression, occupation and foreign interference, as well as efforts for independence, peace and development. These principles are recognized by all the 101 NAM members. It is in these principles that the power of the "moral sword" lies, and no evil force can escape its punishment.

ECONOMIC RESTRUCTURING IN USSR, EAST EUROPE

HK041531 Beijing GUANGMING RIBAO in Chinese 23 Aug 86 p 3

[Report: "A Brief Account of the Basic Orientation of Economic Restructuring in the Soviet Union and East European Countries"]

[Text] At present, the general orientation of economic restructuring in the Soviet Union and East European countries is to further readjust the relationship between the state and enterprises; to properly solve the problem of macroeconomic control and microeconomic enlivening; to reform and improve the planning system; to make full use of commodity and currency relations; and to improve the operation of economic mechanisms. However, due to different national conditions, these countries have stressed different aspects. In general, there are the following three types of countries: 1) Countries where economic management power is overconcentrated have stressed expanding the decision-making power of enterprises; 2) countries where power is deconcentrated have stressed strengthening the macroeconomic control of the central government over the economy of the whole country; and 3) countries where economic management powers are properly concentrated and deconcentrated have taken improvement measures to overcome the existing economic difficulties.

The basic orientation of reforms in the Soviet Union is: While strengthening and improving concentrated management, to expand the decision-making power of enterprises; to institute a complete economic accounting system; to reform the pricing system; to make extensive use of price limits and contract prices; to perfect administration and management organs; to reduce middle links in the management chain; to perfect the material incentive system; and to overcome egalitarianism in distribution.

The basic orientation of reforms in Hungary is to perfect the pricing system; to reduce state subsidies; to reform the taxation system; to readjust tax rates; to expand the decision-making power of enterprises; to institute the employment system and election system for leaders of enterprises; to further reform the financial system; to open a money market; to allow enterprises to issue bonds transfer funds, and buy and sell raw materials; to allow staff members and workers to move from one enterprise to another; and to institute a new enterprise bankruptcy law.

The basic orientation of reforms in Poland is: While maintaining the key role of state planning in readjusting the process and scale of economic strategies, to make various economic mechanisms meet the needs of the market and regulate themselves; to democratize the decision-making and supervision of economic leading organs at all levels and enterprises; to turn enterprises into basic economic entities that can reflect economic results; to strictly control budgetary expenditure for saving enterprises; and to prohibit enterprises that receive loans and subsidies from the state from arbitrarily increasing the actual average wage of their staff members and workers.

The basic orientation of reforms in Bulgaria is to expand the decision-making power of enterprises so that they can become self-regulatory systems; to "thoroughly reform" price and management policies; to reform work methods and management forms of planning and management organs at high levels; to reform the activities of economic organizations; and to make full use of the law of value and the law of supply and demand.

Czechoslovakia, Romania, and the GDR have not yet thoroughly reformed their economic structure, but they will certainly do so in the future.

It is necessary to make a concrete scientific assessment and understanding of an economic management structure according to the national conditions of different countries. In some countries it would be better to carry out centralized management. We cannot say everything is good when we say good, nor should we evaluate merits and demerits of reforms in a country by the standard of economic reform in another country. Every country has its own strong points and problems. The Soviet Union has paid more attention to macroeconomic management, whereas Yugoslavia has paid more attention to expanding enterprises' decision-making power and workers' autonomy. The GDR and Czechoslovakia have adhered to centralized economic management, and their economic results are not bad. This shows that there must be a limit to centralization and decentralization, and to macroeconomic control and microeconomic enlivening. It is neither the more concentrated the better, nor the more deconcentrated the better. Every country must, according to its own national conditions, seek a point where concentration and deconcentration combine best, so as to promote rapid economic development in the country.

HU YAOBANG URGES FURTHER PRC-U.S. COOPERATION

OW100732 Beijing XINHUA in English 0725 GMT 20 Sep 86

[Text] Beijing, September 10 (XINHUA) -- So long as both sides have sincerity, China and the United States can conduct cooperation in many fields including economy, science and technology and culture, Chinese Communist Party General Secretary Hu Yaobang said here today.

He made this comment at a meeting in the Great Hall of the People with a delegation from the Encyclopedia Britannica Inc. of the United States led by its Chairman R. Gwinn and F. Gibney, co-chairman of the joint editorial review board of a Chinese version of "Concise Encyclopedia Britannica", which has just come off the press here.

The general secretary praised the publishers of the two countries for having done "a very good thing." Sino-U.S. cooperation in various fields is not only beneficial to the two countries but also conducive to world peace and friendship among the peoples, Hu said.

He described this cooperation in culture and education as a starting point, suggesting that the two sides explore the possibilities of cooperation in more fields and on a bigger scale.

Gwinn said he was very happy to celebrate the outcome of the cooperation with his Chinese colleagues. Much more remains to be done in terms of cooperation, he added.

At the meeting Gwinn presented a replica of the first three-volume edition of "Encylopedia Britannica" published in Edinburgh, Scotland in 1768.

The Chinese leader said he will treasure the gift as a symbol of Sino-American friendship.

In return, Hu presented his guest with a set of the Chinese version of "Concise Britannica Encylcopedia" with his autograph.

USSR'S TALYZIN CONTINUES DISCUSSIONS IN PRC

Discussions With Yao Yilin

OW091154 Beijing XINHUA in English 1144 GMT 9 Sep 86

[Text] Beijing, September 9 (XINHUA) -- Chinese Vice-Premier Yao Yilin had a four-hour talk here this morning with Nikolay Vladimirovich Talyzin, first vice-chairman of the Council of Ministers and chairman of the State Planning Commission of the Soviet Union.

It was learnt that the two leaders briefed each other on the economic situation and economic restructuring in their respective countries. They had "constructive" talks on the development of trade and economic cooperation between the two countries, sources close to the talks said.

Talyzin was quoted as saying that the Soviet Union attaches great importance to cooperation with China and strives to further improve the relations with China in a bid to make China and the Soviet Union good neighbors. There is a great potential in the trade and economic cooperation, and the two sides will be able to expand them actively under the new circumstances, he added.

Yao said the past year witnessed a growth of the economic, trade, scientific and technological as well as cultural cooperation between the two countries. Trade and economic cooperation in particular has grown fairly quickly, though the scale of cooperation was not large enough.

Both Talyzin and Yao proposed ways to further the economic cooperation.

Participating in the meeting on the Chinese side were Song Ping, state councillor and minister in charge of State Planning Commission, and leaders from Foreign Ministry, State Science and Technology Commission, Ministry of Foreign Economic Relations and Trade, Ministry of Water Resources and Electric Power, and Ministry of Forestry.

Participants on the Soviet side were leaders from the State Committee for Foreign Economic Relations on the U.S.S.R., Ministry of Timber, Pulp-and-Paper and the Wood-working Industry, Ministry of Foreign Affairs, Ministry of Foreign Trade, Ministry of Power, Machine-Building Industry and the State Committee of the U.S.S.R. for Science and Technology.

Talks With Song Ping

OW091218 Beijing XINHUA in English 1214 GMT 9 Sep 86

[Text] Beijing, September 9 (XINHUA) -- Song Ping, Chinese state councillor and minister in charge of the State Planning Commission, and Nikolay Vladimirovich Talyzin, first vice-chairman of the Council of Ministers and chairman of the State Planning Commission of the Soviet Union, held talks on matters concerning cooperation between the two countries' planning departments here today.

Earlier today, Talyzin and his party visited the Evergreen Township in Beijing's suburbs.

2d Talks With Yao

OW101012 Beijing XINHUA in English 1002 GMT 10 Sep 86

[Text] Beijing, September 10 (XINHUA) -- Chinese Vice-Premier Yao Yilin held another round of talks with Nikolay Vladimirovich Talyzin, first vice-chairman of the Council of Ministers and chairman of the State Planning Commission of the Soviet Union, here today.

It was learned that the two sides considered the talks "beneficial".

After the talks, Vice-Minister of Foreign Affairs Qian Qichen and Soviet Vice-Minister of Foreign Affairs I.A. Rogachev signed a revised consular treaty between the People's Republic of China and the Union of Soviet Socialist Republics.

A Chinese Foreign Ministry official said that China and the Soviet Union signed a similar treaty on June 23, 1959. But that treaty, with relatively simplify terms, can no longer suit the present needs, and both sides deem it necessary to re-conclude.

Last November, he said, the Chinese and Soviet consular delegations held negotiations in Moscow on the contents of the new treaty and initialed an agreement.

The re-signed consular treaty is comparatively rich in content, and will benefit the further growth of bilateral consular relations.

Another agreement on mutual relations and cooperation between the state planning commissions of the two countries was also signed here today by Chinese State Councillor and Minister in charge of the State Planning Commission Song Ping and Talyzin.

Moreover, Chinese Vice-Minister of Foreign Economic Relations and Trade Wang Pinqing and Soviet Vice-Minister of Foreign Trade E.P. Bavrin exchanged notes on bilateral trade.

RENMIN RIBAO EDITORIAL ON ANNIVERSARY OF DPRK

HK101049 Beijing RENMIN RIBAO in Chinese 9 Sep 86 p 6

[Editorial: "Tremendous Changes, Brilliant Achievements"]

[Text] Today is the 38th anniversary of the founding of the Democratic People's Republic of Korea. As the Korean people celebrate their glorious festival with happiness and hopes, the Chinese people' with profound affection for their comrades-in-arms, extend their affectionate regards and warmest congratulations to the fraternal Korean people.

The founding of the Democratic People's Republic of Korea ushered in a new era in Korean history and began the new period of the Korean people becoming the masters of their own country. Over the past 38 years, under the leadership of the Workers Party of Korea and their great leader President Kim Il-song, the diligent and intelligent Korean people have inherited a glorious revolutionary tradition, developed the revolutionary spirit of self-reliance and hard struggle, and achieved one victory after another in various fields of socialist revolution and socialist construction, causing fundamental changes in the once poor and backward Korea. At present, after successfully accomplishing their Second 7-Year Plan, the Korean people are making new progress in realizing their 10 long-range goals in the 1980's and creating a happy and prosperous life for themselves. Internationally, the Democratic People's Republic of Korea has carried out an independent foreign policy and has gained the support of more and more countries in the world. The Chinese people are pleased from the bottom of their hearts about the achievements made in various fields by the Korean people and have been greatly encouraged by these achievements.

To reunite a divided motherland is the most urgent common wish of more than 50 million Korean people. Because Korea has been artificially divided, the Korean people have been suffering from the tremendous misery caused by the separation of flesh and blood. This situation should be stopped immediately. For quite a long time, the Workers Party of Korea and the Government of the Democratic People's Republic of Korea have put forward a series of reasonable proposals and made unremitting efforts to achieve democracy and the peaceful reunification of Korea. In 1980, President Kim Il-song proposed the establishment of a Democratic Federal Republic of Koryo, pointing out a correct orientation and channel for the peaceful reunification of Korea. In recent years, initiated by the northern side of the Korean peninsula, both sides of the Korean peninsula have had contact and dialogue with each other through various channels. The Chinese people firmly and resolutely support the Korean people's just struggle to achieve democracy and the peaceful reunification of their motherland, and hold that the Korean question should be solved through peaceful consultation and by the Korean people themselves, free from any outside interference. We believe that through sustained efforts, the 3,000-li land of charm and beauty of Korea will finally be reunited and the Korean people on both sides of the Korean peninsula will eventually realize their national reunion.

The militant friendship between the Workers Party of Korea and the Chinese Communist Party, between the Democratic People's Republic of Korea and the People's Republic of China, and between the Korean people and the Chinese people has a glorious historical tradition, and stood the severe test of time, and has a strong life force. Over the past few years, the leaders of our two countries have exchanged visits and have held talks in both countries, thus pushing forward the relations between our two countries into a new period of further development. The Chinese people highly value this friendship and will try their best to develop their friendship for generations to come. We sincerely hope that the fraternal Korean people will achieve greater successes in their socialist construction and their sacred cause to achieve democracy and the peaceful reunification of their motherland!

KIM IL-SONG DISCUSSES DENUCLEARIZATION, PEACE

HK100017 Beijing RENMIN RIBAO in Chinese 7 Sep 86 p 6

["Special dispatch from Pyongyang" by reporter Xu Baokang: "Kim Il-song addresses banquet in honor of delegates to the Pyongyang International Conference on Denuclearization and Peace of the Korean peninsula"]

[Text] Tonight, at a banquet in honor of the delegates to the "Pyongyang International Conference on Denuclearization and Peace of the Korean peninsula," Chairman Kim Il-song delivered a speech pointing out that the issue of peace and security on the Korean peninsula is closely related to the issue of peace and security in the world.

Kim Il-song said that he relaxation of tension on the Korean peninsula and the elimination of the danger of nuclear war is one of the urgent problems to be solved in the international political arena. At present, an extremely tense situation has arisen on the Korean peninsula and the danger of nuclear war is growing day by day.

He said that proceeding from the great responsibility undertaken by the Korean nation as well as the lofty mission of the cause of world peace, we uphold the fundamental principle of independently and peacefully unifying our motherland and have put foreward many reasonable suggestions and made all the sincere efforts for the realization of these suggestions. Nevertheless, none of these suggestions for peace has been realized.

Kim Il-song pointed out that many peace-loving governments and people in the world are more and more concerned with the tense situation on the Korean peninsula and are deeply worried about it. Therefore, they actively express support for the struggle for the prevention of war, the safeguarding of peace, and the independent and peaceful unification of the motherland waged by the people in our country.

Lastly, Chairman Kim Il-song stated that the people in our country are peace-loving people. To struggle for peace is an unremitting foreign policy of the Workers Party of Korea as well as the republican government. In the future, our party and government of the republic will uphold the banner of independence, friendship, and peace and closely unite with the people in the socialist countries, the people in the nonaligned countries, and all the peace-loving people in the world to wage resolute struggle for the prevention of war and the safeguarding of peace.

DPRK DEMAND FOR RESUMPTION OF DIALOGUE NOTED

HK041445 Beijing RENMIN RIBAO in Chinese 2 Sep 86 p 6

["Special dispatch from Pyongyang" by reporter Xu Baokang: "Korea Demands Early Resumption of North-South Dialogue"]

[Text] On 29 August, the Secretariat of Korea's Committee for Peaceful Reunification of the Fatherland issued a memorandum on the North-South dialogue, which has not been resumed since being suspended. The memorandum pointed out that the prospects for the North-South dialogue entirely depend on the attitude taken by South Korea. It also hoped the South Korean authorities would accept the demands of the North and would adopt substantial measures to create an atmosphere for resuming the dialogue.

The memorandum pointed out: To resume at an early date the suspended North-South dialogue and to make it succeed is the North's unswerving stand. If South Korea is really very concerned about the dialogue and discussion, it should abandon its confrontation policy against communism, which is implemented under the pretext of the so-called "threat of invading the South." The memorandum held that not to adopt any practical measure, but to only indulge in empty talk, is simply falsehoold.

VISIT OF CHINESE YOUTH DELEGATION TO KOREA VIEWED

HK091149 Beijing RENMIN RIBAO in Chinese 16 Sep 86 p 6

["Newsletter from Korea" by reporter Xu Baokang: "Advance Along the Road of Friendship for Generations"]

[Excerpts] From 20 August to 2 September, 200 members of the Chinese youth delegation spent 12 wonderful days and nights in our brotherly neighboring country, Korea. This is another friendly meeting of the youths of the two countries after 500 Korean youths paid a visit to China last August. [passage omitted]

It is a fine tradition of the youths of the two countries in learning from and closely cooperating with each other at all times and all places. During their visit to Korea, the Chinese youths not only gained a lot of valuable experience from the Korean youths, but also jointed an antiflood struggle alongside the Korean youths. [passage omitted]

Although the visit of the Chinese youth delegation to Korea only lasted 2 weeks, the strong friendship they have built with the Korean youths has once again demonstrated that the colorful road of friendship paved by the proletarian revolutionaries of the elder generation of the two countries will surely become wider and more magnificant.

NAKASONE'S DISMISSAL OF FUJIO WELCOMED

OW091221 Tokyo KYODO in English 1211 GMT 9 Sep 86

[Text] Beijing, Sept 9 KYODO -- The Chinese Foreign Ministry Tuesday welcomed Japanese Prime Minister Yasuhiro Nakasone's dismissal of Education Minister Masayuki Fujio over his controversial remarks about Japan's 1910-1945 annexation of Korea.

Japanese ambassador to Chinea Yosuke Nakae called on Vice Foreign Minister Liu Shuqing Tuesday afternoon at the instruction of the Tokyo government to inform China, of the sacking of Fujio on Monday.

Fujio said in a magazine interview to be published Wednesday that Korea was partly responsible for the annexation because it had been based on a bilateral agreement. His remarks caused a diplomatic row with South Korea. Japan also Tuesday informed the Seoul government of the dismissal of the education minister.

During the meeting with Li, Ambassador Nakae stressed that the Japanese Government had done its utmost to resolve the problem, taking the view that the issue was a grave one. Nakae also conveyed to the Chinese side the government's official regret over the incident.

In response, Vice Foreign Minister Li welcomed the action, saying that Fujio's sacking was a wise step by Prime Minister Nakasone and his government.

Li assured Nakae that there is no change in China's policy of maintaining and promoting friendly relations with Japan. The government will guide the Chinese people in line with the policy, Li said. At the same time, however, Li said China would take a strict attitude toward such "erroneous" speeches and views as Fujio's.

According to sources at the Japanese Embassy here, the Chinese side made no official protest against Fujio's remarks on the Korean annexation, though Chinese officials informally referred to the issue with Japanese embassy officials. The Chinese restraint this time probably stems from China's high evaluation of Nakasone's cancellation of his official visit to the Yasukuni Shrine this summer and his order to correct controversial school textbook accounts of Japan's actions in Asia before and during World War II, the sources said.

Nakasone's official visit to the shrine, where Japanese war criminals are enshrined together with the war dead, last year came under criticism in China, South Korea and other Asian countries.

RENMIN RIBAO on Dismissal

OW100718 Beijing XINHUA in English 0701 GMT 10 Sep 86

["'PEOPLE'S DAILY' Comments on Firing of Japanese Education Minister" -- XINHUA headline]

[Text] Beijing, September 10 (XINHUA) -- "PEOPLE'S DAILY", China's most influential newspaper, today carried an article noting that the sacking of Japanese Education Minister Masayuki Fujio was the inevitable result of his perverse refusal to face present day realities.

Entitled "The Trend of the Time Is Irresistible", the article said that the removal of Fujio from his post as education minister after less than two months in office represents a virtually unique event in modern Japanese political history.

The "short-lived" education minister was actually dismissed by Prime Minister Yasuhiro Nakasone, rather than "resigning on his own accord," as a result of his frenzied efforts to justify Japan's war of aggression and his attempts to re-write and reverse the historical verdicts which have condemned Japanese militarists for their actions during the Second World War. Fujio's actions have naturally aroused widespread discontent and strong indignation in his country as well as other countries in Asia and the Pacific region, the article said.

"PEOPLE'S DAILY" went on to say that the overall popular response to the action taken by the Japanese Government in order to maintain friendly relations with neighboring countries has been positive.

The Japanese public-at-large, as well as a sizeable number of far-sighted and influential Japanese individuals have also sternly criticised the erroneous and insensitive conduct of Fujio, the article continued.

But despite the fact that the minister has now been sacked, the article said, it is by no means accidental that Fujio stuck so tenaciously to his guns in his attempts to "whitewash" Japanese militarism. Nor is his case an isolated one. What Fujio did and said, the article noted, represents an adverse current of thought which runs counter to the trend of the times and it may occur now and then, in different forms, over a considerable period of time. Although these adverse currents will remain a minor impediment to Sino-Japanese relations, people should remain sober-minded and exercise vigilance to ensure historical truth and prevent a resurgence of militarism, the commentary warned.

Since the establishment of diplomatic relations between China and Japan, "PEOPLE'S DAILY" said, the two countries have made significant progress in fostering good-neighborly relations by carrying on the traditional friendship and properly absorbing the lessons offered by history.

Sino-Japanese friendship represents the fundamental interests and common aspiration of both nations and also conforms to the trend of the times toward international peace and development.

However, the article said, there has always been a small group of people in Japan who have tried time and again to obstruct and sabotage these productive relations. These people, though very small in number, have had a very bad effect because they have not only undermined Japan's ties with its neighbors, but also smeared its international image. Therefore, the article said, the peoples of China and Japan must always remain aware that this dangerous trend of thought and action must be checked.

The article concluded by expressing full confidence in the future of Sino-Japanese relations. Only if the governments of the two countries strictly observe the guidelines as stipulated in the China-Japan Joint Statement and Treaty of Peace and Friendship and scrupulously implement the four principles of "peace and friendship, equality and mutual benefit, mutual trust, and long-term stability," the friendly relations between the two countries will surely develop smoothly and soundly, to achieve the goal of peace in the next century.

LIAOWANG ARTICLE ON SINO-JAPANESE RELATIONS

HK041103 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 35, 1 Sep 86 pp 26-27

[Article by Wu Xuewen: "Sino-Japanese Relations in an Important Period"]

[Excerpts] Not long ago in an exchange with Japanese academic circles and young friends in Tokyo, this writer deeply sensed that Sino-Japanese relations today are not only at their best period in history, but that they are also at the most important period in the course of their development. [passage omitted]

Coincidence of Two Periods of Historic Transformation

Since carrying out economic structural reform and implementing the policy of opening to the outside world in 1979, China's socialist construction has entered a period of historic transformation. [paragraph continues]

In the 15 years beginning this year up to the end of this century, China will complete the seventh, eighth, and ninth 5-year plans. Her economy, culture, and society will undergo rapid development. On the other hand, with the intensifying economic friction between Japan and countries in Europe, Asia, and the Americas posing a definite threat to the international economy, Japapn also has a sense of crisis.

Since spring this year, Japan's public and government sectors have successively issued six reports stressing that thie country is in a period of historic transformation. [passage omitted] These reports advocated that Japan should restructure its economy from an export-oriented type to an import-oriented type -- also known as an international contribution type. For this, it is necessary to expand domestic demands, increase direct investments overseas and the transfer of technology to developing countries, and attach importance to economic cooperation with developing countries to promote an international division of labor. This is an economic structural reform related to Japan's future. [passage omitted]

The coincidence of these two periods of historic transformation will enable the broad integration of Japan's capital and technology with China's resources and markets, which in turn will open up a new industrial horizon, create new excellent products, and promote the joint development of the two countries' economies. Whether seen from the history of Sino-Japanese relations or from today's international relations, the coincidence of these two periods of historic transformation is definitely opportune and thus valuable. Statesmen, scholars, and social activists involved in the friendly cause of the two countries should make use of this historic opportunity and contribute their talents, wisdom, and might. [passage omitted]

Japan is an economic power. After the success of the 1949 revolution, China embarked on developing its economy. However, the 10 years of catastrophe caused setbacks for the Chinese nation. The 3d Plenary Session of the 11th CPC Central Committee led to a Chinese resurgence, and the Chinese nation is on the ascent. During this period, China could reduce the gap in its economic backwardness with Japan. The two countries are trying to reduce the trade imbalance. This way, both China and Japan can better develop the friendly cause on the basis of equality, and thus build a firmer foundation for amity in future generations.

Today, Sino-Japanese relations are at the best period in history, but some new conflicts have also appeared. We should not be satisfied with the present. If we can hold on to this important period, and value and develop the excellent relations, then Sino-Japanese relatons in the 21st century will be able to write more glorious chapters.

CHIANG KAI-SHEK MEETINGS IN JAPAN CRITICIZED

HK091052 Hong Kong AFP in English 1045 GMT 9 Sep 86

[Text] Beijing, Sept 9 (AFP) -- China on Tuesday criticised meetings in Japan to commemorate the 100th anniversary of the birth of nationalist Chinese leader Chiang Kai-shek and urged the Japanese Government to halt them.

The meetings, which began last Thursday in Tokyo with a gathering of about 3,000 supporters of Taiwan, were an attempt to create "two Chinas" and should be restrained by the Japanese Government, a Foreign Ministry spokesman said.

Such meetings, the spokesman said, were "not merely non-government actions, but political ones, participated in by important persons from the political circles in Japan."

Leading organisers of the meeting, the first in a series, had included former Prime Minister Nobusuke Kishi and former Lower House President Hirokichi Nadao, reports from Japan said.

The spokesman said such actions "carried out by a handful of persons in Japan... go against the spirit of the Sino-Japanese Joint Declaration and the Treaty of Peace and Friendship and are detrimental to the healthy and smooth development of the good neighbourly and friendly relations betwen China and Japan."

"The Chinese side has on many occasions reminded the Japanese to pay attention to the question and to take strict action to restrain those acts and to solve the matter properly," the spokesman said.

SHANGHAI-OSAKA COOPERATION SYMPOSIUM ENDS

OW091419 Beijing XINHUA in English 1048 GMT 9 Sep 86

[Text] Shanghai, September 9 (XINHUA) -- A two-day seminar on the economic cooperation between Shanghai and Osaka of Japan ended here today.

During the meeting, the participants -- enterpreneurs, scholars and officials -- discussed legislation on management, joint-ventures and cooperations between enterprises in the two cities, a seminar organizer said.

Shanghai and Osaka became sister cities 12 years ago. Addressing the meeting, Shanghai Mayor Jiang Zhemin said the two cities shared many similarities in economic development and the urban development.

"There are brilliant prospects for the two cities in promoting their economic and technological cooperation," Jiang said.

WANG BINGQIAN MEETS JAPANESE LABOR WRITERS GROUP

OW290922 Beijing XINHUA in English 0747 GMT 29 Aug 86

[Text] Beijing, August 29 (XINHUA) - Chinese State Councillor and Minister of Finance Wang Bingqian met here today a delegation from the Japanese Association of Labor Writers, led by Katsumi Yakabe, a leading official of the association.

The Japanese association, made up of professors, critics and journalists, is interested in the study of labor, wages and workers' movement.

The delegation arrived here yesterday at the invitation of the All-China Federation of Trade Unions.

CONTINUING REPORTAGE ON SIHANOUK VISIT

Sihanouk Speech at Banquet

BK091350 Beijing in Cambodian to Cambodia 1030 GMT 8 Sep 86

[Speech by Democratic Kampuchean President Samdech Norodom Sihanouk at 7 September Beijing banquet for CGDK delegation -- recorded]

[Text] [Applause] Esteemed Excellency Zhao Ziyang, premier of the PRC State Council; esteemed excellencies, ladies and gentlemen; dear friends: On behalf of the Democratic Kampuchean delegation and in my own name, I would like to express wholehearted and most sincere thanks to his excellency the premier and the Government of the PRC for inviting our delegation to pay another official friendship visit to the glorious PRC. We would like also to express our deepest thanks for the grand reception organized in honor of our delegation by the premier and the Chinese Government. [applause]

We convey deepest feelings of best regards and warmest friendship from all male and female combatants of the CGDK's tripartite resistance forces and from our Cambodian people to the premier and our great Chinese friends.

Just now, the premier made a very significant welcoming speech. This is a great encouragement to our people's just struggle for the survival of our Cambodian nation. We would like the premier to please accept our profound thanks for all his valuable words and for the brilliant banquet tonight.

Excellencies, ladies and gentlemen, in 1986, the great Chinese people made another leap forward following the successful realization of their Sixth 5-Year Plan. They have begun to implement with splendid success their Seventh 5-Year Plan. I myself, who visited various regions in January of this year, have seen with my own eyes the remarkable progress in all fields in economic construction and in China's open-door policy, particularly since 1978, when the 3d Session of the 11th CPC Central Committee adopted the historic resolution to begin a new great march toward modernization. This year, 1986, is also marked by the implementation of the independent PRC foreign policy for peace, adopted in accordance with the 10-point principles put forth at the Fourth Session of the Sixth Chinese National People's Congress last March by His Excellency Zhao Ziyang, premier of the State Council. The accurate and lively implementation of this independent foreign policy has enhanced the already lofty prestige of the PRC in the international arena and increased the PRC's role in contributing to the struggle waged by various peoples in the world against the aggressors and expansionists and in defense of peace and security in the world.

Our Cambodian people and CGDK rejoice in and would like to extend our warmest congratulations for the great, brilliant victories scored under the clear-sighted leadership of the glorious CPC by the great Chinese people and the PRC Government. We wish the great Chinese people greater victories and successes in totally fulfilling and even overfulfilling the Seventh 5-Year Plan, in their march toward the 1990's and in their advance toward the 21st century with great victories and prosperity. [applause]

The PRC is a great nation, but in its relations and dealing with our small Cambodia, the PRC has always abided by the principles of equity and mutual respect.

Whenever our Cambodian people suffer because of an aggression or outside interference, the PRC always stands by the side of our Cambodian people. The PRC and the great Chinese people have given all kinds of wholehearted support and assistance to the struggle waged by our Cambodian people and the CGDK against the Vietnamese aggression. The correct policy, permeated with the sincere friendship of the PRC and the Chinese people toward our Cambodian people, has been profoundly appreciated by all Cambodians and made us confident that the success of the Chinese people in the course of modernizing China not only provides happiness to the one billion Chinese but also constitutes an important factor in the defense of peace and stability throughout the world.

Excellencies, ladies, and gentlemen, last dry season the Vietnamese aggressors tried hard to implement two major plans -- that is, to seal off our transport routes and to do anything possible to drive our CGDK's tripartite resistance forces out of the interior of the country. But these plans failed. On the contrary, our tripartite resistance forces have carried on their activities more vigorously deeper inside the country and even in areas near Phnom Penh. Not only the Cambodian people but also the Cambodian soldiers, militiamen, and administrators who have been forced to serve the Vietnamese aggressors have joined with the Armed Forces of the three CGDK factions in the fight against the Vietnamese aggressors. Most encouragingly, the patriotic forces of the tripartite CGDK have become more cooperative in supporting each other on the battlefield in Battambang, Pursat, Oddar Meanchey, Siem Reap, Kompong Thom, and Kompong Cham Provinces. This is a very important factor contributing to the continuous development of our national liberation struggle. [applause]

Excellencies, ladies, and gentlemen, as you know well, on 17 March I declared on behalf of the CGDK an 8-point peace proposal for a political solution to the Cambodian problem. This 8-point peace proposal has won increasing world support, and it is regarded as a fair, rational, and comprehensive proposal with a true intention to solve the problem. Availing ourselves of this occasion, we would like once again to express our deepest thanks to the PRC Government and the governments of all friendly countries that support our 8-point peace proposal. [applause]

We realize that this 8-point peace proposal is beneficial to all parties, including Cambodia and Vietnam, and to peace, security, and stability in Southeast Asia and the whole world. Such are the concessions we have made. We advise the SRV not to take our sincere desire for peace as a sign of weakness. As long as the SRV continues to militarily occupy our Cambodia, we have no choice but to continue our sacred struggle. We are determined to strengthen cooperation and mutual support among the three forces of our CGDK more firmly, make every effort to promote national unity at home and abroad, and continue to fight until the SRV agrees to settle the Cambodian problem politically on the basis of our 8-point peace proposal.

In conclusion, I would like to propose a toast; -- To the new and greater victories of the glorious PRC and the great Chinese people in their great new march toward modernization; -- To the development through eternity of the friendship and solidarity that has existed since time immemorial between Cambodia and China; -- To the good health and longevity of His Excellency Hu Yaobang, general secretary of the CPC; His Excellency Deng Xiaoping, chairman of the Central Advisory Commission of the CPC; His Excellency Li Xiannian, president of the PRC; His Excellency Zhao Ziyang, premier of the PRC State Council; and Her Excellency Mrs Deng Yingchao, chairman of the National Committee of the Chinese People's Political Consultative Conference and, to the good health of all excellencies, ladies, gentlemen, and friends present here. [applause]

Hu Yaobang on Cambodia

HK100539 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0804 GMT 9 Sep 86

[Text] Beijing, 9 Sep (ZHONGGUO XINWEN SHE) -- This morning, after praising the 8-point proposal advanced by Democratic Kampuchea for the political settlement of the problem of Cambodia, Hu Yaobang, General Secretary of the CPC Central Committee, indicated that China is ready to adopt a very lenient attitude to handling the question of Sino-Vietnamese relations and that so long as Vietnam withdraws all its troops from Cambodia, China will forgive old wrongs and resume its traditional friednship with Vietnam.

Hu Yaobang made these remarks when he received prince Norodom Sihanouk, head of the visiting delegation of Democratic Kampuchea, and deputy heads Prime Minister Son Sann and Vice president Khieu Samphan.

Hu Yaobang spoke highly of the 8-point proposal, saying that Prince Sihanouk said that the proposal was magnanimous and we approach it in the same way. According to the proposal, among other things: 1) no punishment of war criminals will be demanded; 2) no war reparations will be claimed; and 3) good-neighborly and friendly relations will be resumed after the issue of Cambodia is settled. Is this not magnanimous?

Hu Yaobang also praised highly Cambodia's struggle against Vietnamese aggression and for national salvation. He said: The struggle of the Cambodian people over the last 8 years has proved an irrefutable truth, that is, that justice is bound to triumph over evil and universally acknowledged truth over power politics. Hu Yaobang said: You have only one-ninth of Vietnam's population. However, you have been fighting for 8 years and instead of being crushed, you are increasingly growing in strength. This shows that you represent justice.

As Hu Yaobang saw it, how to approach the Cambodian people's struggle against Vietnamese aggression and for national salvation is a cardinal question of right and wrong in international affairs. He reaffirmed that China would firmly and unreservedly support the Cambodian people in their struggle against Vietnamese aggression. We will never waver in our stand.

Hu Yaobang said: Now more and more people in the world have gained a clearer picture of the actual situation in the war and, consequently, more and more people have come over to the side of the Cambodian people.

Prince Sihanouk told Hu Yaobang that in the last 2 years, the situation, whether in the international diplomatic struggle or in the domestic battlefield, has been even more to the advantage of the Cambodian people. This victory is indispensable to China. He said that China "has made historic contributions" to the Cambodian people's struggle against Vietnamese aggression.

On this, Hu Yaobang indicated that the victory of the Cambodian people is the result of the efforts of the three parties of Democratic Kampuchea to lead in close unity the whole nation in carrying out struggle and of the extensive sympathy and support given to them by the world community.

The meeting, lasting for an hour, took place in Zhongnanhai. After the meeting, Hu Yaobang gave a banquet in honor of the distinguished Cambodian guests.

Meets Deng Xiaoping

OW100708 Beijing XINHUA in English 0634 GMT 10 Sep 86

[Text] Beijing, September 10 (XINHUA) -- Deng Xiaoping, chairman of the Central Advisory Commission of the Chinese Communist Party, said here today that China's support to the three patriotic forces of Democratic Kampuchea is firm, unconditional and permanent.

He made this statement at a meeting with the Kampuchean delegation led by its President Samdech Norodom Sihanouk, president of Democratic Kampuchea, with Prime Minister Son Sann of the coalition government and Vice-President Kieu Samphan of Democratic Kampuchea in charge of foreign affairs, as its deputy heads. Nadame Sihanouk attended the meeting.

Deng extended congratulations to the armymen and people of the three patriotic forces of Democratic Kampuchea for the victories they had scored, through their united, cooperative efforts, during Vietnamese intruders' eighth dry-session offensive.

He hoped that the unity and cooperation of the three patriotic forces of Democratic Kampuchea headed by Samdech Sihanouk will keep increasing, and that they will continue to unite and cooperate in building a new Kampuchea after victory.

The meeting proceeded in a very cordial and friendly atmosphere.

Sihanouk expressed thanks to China for its consistent, tremendous support to the Kampuchean people in their struggle to resist Vietnam and save the fatherland.

The three patriotic forces of Democratic Kampuchea are resolved to continue to unite and enhance their fraternal cooperation till they defeat the Vietnamese aggressors, he said and they will still unite closely to re-build their country following the victory.

Referring to Deng's recent interview with Mike Wallance, journalist from the CBS of the United States, Sihanouk described it as steadfast, strong and full of justice, saying that it is of great important. This interview once again shows China's great importance. This interview once again shows China's tremendous and powerful support to the Kampuchean people in their struggle against Vietnamese aggression, he stressed.

State Councillor and Foreign Minister Wu Xueqian, and chairman of the reception committee and Minister of Culture Wang Meng attended the meeting. Minister Wang Meng gave a banquet for the distinguished Kampuchean guests at noon today. The official, friendly visit of the Democratic Kampuchean delegation to China has thus concluded.

PRC JOURNAL ON VIETNAM UNDER TRUONG CHINH

HK011124 Beijing SHIJIE ZHISHI in Chinese No 16, 16 Aug 86 pp 7-8

[Article by Yang Xuechun: "Vietnam: Truong Chinh Takes Over a Shambles"]

[Text] Le Duan died on 10 July and Truong Chinh became his successor on the 14 July. According to reports, the Vietnamese peopole seemed to show no concern about Le Duan's death. A foreign reporter based in Hanoi said: "The people today no longer feel such grief as they did when Chairman Ho Chi Minh died."

Le Duan moved up to become the Vietnamese Communist Party's second-in-command in 1959. With the death of Chairman Ho Chi Minh in 1969, he assumed the role of the highest authority in Vietnam for 17 years. These were the 17 years when Vietnam's political situation underwent enormous changes. The reputation won by the Vietnamese people during their lengthy and bloody struggle as well as the golden opportunity for development gradually faded. At a time when the Vietnamese people most needed rest and recuperation, Le Duan pursued a regional hegemonist policy and launched an invasion of Cambodia in 1978. Military expenses mounted annually, while budgetary deficits accumulated. There was an overall shortage in energy, equipment, and raw materials. Productivity continued to decline, there was an acute shortage of basic necessities, exports were almost nil, and foreign exchange was in short supply. Hundreds of thousands of Vietnamese refugees fled to other countries. Starting in August last year, Vietnam began implementing price, wage, and currency reforms. However, the result has been contrary to expectations and instead has brought about a skyrocketing increase in commodity prices and landed the country in what its economic specialists have described as a "passive situation." Vietnamese authorities have said that the responsibility for the birth of such a "passive situation:" should first be borne by "party and state central departments." Recently, Le Duc Tho, a member of the Political Bureau of the Vietnamese Communist Party, wrote an article discussing the situation in his country: "Today some complicated transformations have appeared among cadres and party members. Seeing the existing problems in the economy and in life, many people worry and panic, not knowing what should be done to change such a situation and having doubts as to the direction of the country. ...Common phenomena among cadres and party members are graft and corruption, bribery; smuggling; decadence; a lack of a sense of responsibility regarding work, concern for the party's construction, and the people's livelihood; and a persistent pursuit of personal interest and honor, engaging in factionalism, and creating disunity within the party."

Common folk in Vietnam cannot understand why young men have to be drafted for the invasion army, let alone understand why the war has been going for so long, seeing many Vietnamese troops killed while Cambodia's patriotic forces grow in strength. Diplomatically, Vietnam has grown increasingly isolated because of its invasion of Cambodia. Her stubborn rejection of the 8-point proposal advanced by the Coalition Government of Democratic Kampuchea was criticized by world public opinion. Many countries suspended aid to Vietnam. Vietnam relies solely on the Soviet Union, without whose assistance, it would not be able to sustain the war of invasion against Cambodia. On the other hand, to acquire Soviet assistance, it has to provide Cam Ranh Bay and other bases for use by Soviet air and naval forces.

Objectively speaking, what Le Duan left behind is a mess, and the crux to this mess is the war of invasion against Cambodia.

Truong Chinh took over as general secretary of the Vietnamese Communist Party amid internal and external difficulties. Speaking before the special session of the Vietnamese Communist Party's Central Committee as he took office on 14 July, and delivering the eulogy during Le Duan's memorial services on the 15th, Truong Chinh did not mention the Cambodian issue. Instead he announced that the country would carry out the resolutions adopted at the "Fourth Party Congress" "Fifth Party Congress" and those taken at previous Central Committee plenary sessions and at Political Bureau conferences, indicating that the party would continue to pursue its previous line.

When Truong Chinh assumed power, foreign press all speculated and deliverated that Vietnam's policy would not change. On 16 July, Radio Democratic Kampuchea broadcast an open letter from the Cambodian people to the Vietnamese people and their new leaders, expressing hope that Vietnam would change its Cambodian invasion policy and that it would resolve the Cambodian issue in accordance to the 8-point proposal advanced by the Coalition Government of Democratic Kampuchea.

World public opinion estimated that Vietnam's inclination would be: "difficult to change." A REUTER reporter issued a wire report from Bangkok stating: Western and Asian diplomats believe that no matter who takes over the Vietnamese Communist Party, it is calculated that there will be no major changes in policy. According to Thailand's Deputy Prine Minister Phichai: "As to whether leadership changes after Le Duan's death will lead to changes in Vietnam's foreign policy, I doubt it." Phasong, secretary general of Thailand's National Security Council, said: Vietnam might probably make some strategic adjustments, "but you should not expect this to soften its position."

The above-mentioned deductions are not without reason. According to reports in the Vietnamese papers, Truong Chinh and other party leaders are presently concentrating full efforts to preparations for the Sixth Vietnamese Communist Party Congress scheduled for later this year. Earlier last year, news circulated in Hanoi that the "sixth party congress" would reorganize leading bodies at all levels, and that various political forces within the party were carrying out open disagreements and veiled struggles. At the moment, world opinion believes that Truong Chinh can only maintain the policies of the "Le Duan system."

What is noteworthy is that the USSR, in its condolence message, stressed that Vietnam follow the "behest of Le Duan." Ryzhkov, USSR chairman of the Council of Ministers, was the most illustrious foreign guest to take part in Hanoi's memorial activities. upon arrival in Hanoi, he immediately declared that a memorial statue in honor of Le Duan would be erected in the the Soviet Union. Vietnam indicated that it would strengthen and foster relations with the USSR. This reflected the needs of both the USSR and Vietnam to continue developing relations.

Le Duan is gone and Truong Chinh is now in charge. However, as long as the war of invasion against Cambodia is not ended, Vietnam will continue to have difficulties.

FURTHER REPORTAGE ON WAN LI'S VISIT TO AUSTRALIA

Bowen Fetes Luncheon

OW081156 Beijing XINHUA in English 1042 GMT 8 Sep 86

[Text] Canberra, September 8 (XINHUA) -- Australian Deputy Prime Minister Lionel Bowen gave an official luncheon here today in honor of visiting Chinese Vice-Premier Wan Li.

In his speech, Bowen said that successive Australian governments have worked hard to build friendly and mutually beneficial relations with China and their efforts have been fully reciprocated by the Chinese side.

The result today, he pointed out, is a relationship that is rapidly becoming a model of friendship and cooperation between countries with different political and economic systems. The relationship, he stressed, has been facilitated by China's commitment to modernization and to her policy of opening to the outside world.

On the current international situation, Bowen said both Australia and China will be facing new challenges posed by changes in the world economic order and the need to continue to maintain the dynamic growth and peace and stability in the Asia-Pacific region.

In his reply speech, Chinese Vice-Premier Wan said "China is ready to work with Australia and all the other peace-loving countries in an unremitting effort for the maintenance of world peace." Speaking about the domestic situation, Wan said China's policy of opening to the outside world and enlivening the domestic economy has yielded marked results. "We will introduce necessary reform in the existing political structure to ensure the deepening of the economic structural reform," he added.

Wan and his party arrived here on September 5 for a one-week goodwill visit to the country at the invitation of Prime Minister Robert Hawke.

Tours New South Wales

OW091118 Beijing XINHUA in English 1102 GMT 9 Sep 86

[Text] Warren, Australia, September 9 (XINHUA) -- Chinese Vice-Premier Wan Li left here for Sydney this afternoon after visiting agricultural and livestock area in the New South Wales State. Warren, a shire of New South Wales State, is 450 kilometers north of Canberra.

Wheat fields look like a huge green carpet under the sunshine along the road which Wan's car was taking to the Hatton farm. He was accompanied by President of Warren Shire Council Ross Hunt and farm owner Peter O'Brien.

Australia produces 15 million tonnes of wheat a year on the average. The most important crop in the country, wheat covers 12 million hectares of farm land. New South Wales is usually the highest yield area.

Wan also visited the Haddon-rig sheep farm. Established in 1882, the farm has an area of 15,000 hectares. A barbecue lunch of rural style was given by the host.

Wan and his entourage arrived in Canberra on September 5 for a week-long visit to Australia.

Meets Opposition Leader

OW091122 Beijing XINHUA in English 1055 GMT 9 Sep 86

[Text] Sydney, September 9 (XINHUA) -- Australian opposition leader John Howard today called on Chinese Vice-Premier Wan Li at the Regent Hotel where he is residing. During their conversation, Howard said he was pleased that both the Liberal Party and the Labor Party were sharing the same policy of friendly cooperation with China.

Wan Li said, the further development of the friendly relations of cooperation between China and Australia would be beneficial to both countries. Wan Li and his entourage arrived here by plane after their visit in an agricultural and livestock region in the Australian eastern state of New South Wales.

Feted Sydney Banquet

OW091949 Beijing XINHUA in English 1549 GMT 9 Sep 86

[Text] Sydney, September 9 (XINHUA) -- The growing cooperation between Australia and China will be one of the most important elements in the development of the wider regional cooperation. The remarks were made by Barrie Unsworth, premier of the New South Wales of Australia, in an official dinner here tonight in honor of visiting Chinese Vice-Premier Wan Li. He said in his welcoming speech that Vice-Premier Wan Li's visit to Australia represents another significant step in the remarkable growth of friendship and cooperation between China and Australia over the 1st decade. This has been a steady and consistent process under the successive Australian Governments, he said. Reviewing the relations between China and New South Wales, he said his state is proud of the part it has played in strengthening the friendly ties between Australia and China. "We placed highest value on the sister province relationship between our state and the province of Guangdong."

In his reply speech, Wan Li said since the establishment of diplomatic relations between China and Australia, the people of New South Wales and Sydney have made positive contributions to the friendly relations and cooperation between the two countries. Wan and his party arrived here on September 5 for a one-week goodwill visit to the country at the invitation of Prime Minister Robert Hawke. The Chinese vice-premier has met Australian Prime Minister Robert Hawke and it was decided during their meeting on September 7 that a Sino-Australian joint ministerial economic commission is to be formed. Wan also met Australian opposition leader John Howard today.

JIANGSU'S HAN PEIXIN FETES AUSTRALIAN GUESTS

OW090633 Nanjing Jiangsu Provincial Service in Mandarin 1000 GMT 4 Sep 86

[Excerpts] Australia and its state of Victoria began to display their advanced technology for food processing, packing, and manufacturing and servicing of farm machines in an exhibit, which opened at the International Exhibition Hall in Nanjing this morning. Over 500 people watched the display with great interest at the opening ceremony. [passage omitted]

Present at the opening ceremony from the Chinese side were Gu Xiulian, governor of Jiangsu; Hong Peilin, vice chairman of the provincial People's Congress Standing Committee; Zhang Xuwu, vice governor; and Xu Yinyu, vice mayor of Nanjing City; From the Autralian side were vice premier of the State of Victoria, Fordham, and his wife, chairman of the Australian Trade Commission (McLester), Australian Consul General in Shanghai (Walters), and (?second) secretary of the Australian Embassy in China (Peter Lin), as well as membrs of a delegation from the Victorian State Assembly currently visiting Nanjing.

In their speeches Governor Gu Xiulian and Vice Premier Fordham pledged to further expand cooperation between Jiangsu and Victoria in various fields. [passage omitted]

Vice Premier and Mrs Fordham and their entourage arrived in Nanjing on the afternoon of 3 September. The Jiangsu provincial government gave a banquet in honor of the Australian guests in the evening. Han Peixin, honorary chairman of the Jiangsu chapter of the Chinese People's Association for Friendship With Foreign Countries who visited Australia, and Chu Jiang, chairman of the provincial People's Congress Standing Committee, attended the banquet.

NEPALESE CONSUL GENERAL MEETS XIZANG OFFICIALS

HK060400 Lhasa Xizang Regional Service in Mandarin 1130 GMT 4 Sep 86

[Text] On the afternoon of 3 September, (Kamula Wukeyabu), consul general of the Kingdom of Nepal in Lhasa, visited Wu Jinghua, secretary of the regional party committee, in the hall of the Xizang Regional Foreign Affairs Office. In the warm and friendly atmosphere, both parties held cordial talks about the problems for which they showed concern. (Wangdui Zhaba), director of the regional Foreign Affairs Office, attended the meeting.

SINO-INDIA ECONOMIC SEMINAR OPENS IN BEIJING

OW050908 Beijing XINHUA in English 0644 GMT 5 Sep 86

[Text] Beijing, September 5 -- The cool autumn in Beijing ushered in the holding of the three-day Sino-India seminar on economy and development, the first bilateral academic seminar between China and India ever held here. Sponsored by the Chinese Academy of Social Sciences and the Indian Council for Social Science Research, the seminar is a follow-up of a similar conference held in New Delhi in January, 1985.

The head of the Chinese delegation, Mr. Dong Fureng, and his Indian counterpart, Mr. C.H. Hanumantha Rao, expressed similar views. As two large developing countries in Asia, China and India are both on their way to changing the backwardness of the country by realizing modernizations. Although different in social systems, they are facing many similar problems.

Topics for discussion at the seminar include: Planning and marketing, macroeconomic management while giving more decision-making power to enterprises, importing advanced technology while remaining self-reliant and financial and monetary policies. These issues confront both countries and need to be solved urgently, the experts said. Other issues such as population growth, education and women were also addressed.

Since three days is short, it was impossible to deal with all issues of common concern, and participants have shown great interest in the discussions. The seminar has been successful and the cooperation between the two countries enhanced.

PRC-PAKISTAN TOPOGRAPHIC BORDER SURVEY COMPLETED

OW061528 Beijing XINHUA in English 1353 GMT 6 Sep 86

[Text] Beijing, September 6 (XINHUA) -- A topographic survey has been completed of the border between China and Pakistan, the Ministry of Foreign Affairs announced today. The survey will help the countries carry out joint inspections and work projects at the border, an official said.

Following a decision by the Joint Border Inspection Committee, a team of the Chinese National Bureau of Surveying and Mapping completed fieldwork between June and July, a month ahead of schedule. Surveyors overcame thin air, biting cold and heavy snow in the Karakorum Mountains, which have an average altitude higher than 5,000 meters.

REPORTAGE ON EC DELEGATION IN BEIJING

Feted at Banquet

OW051854 Beijing XINHUA in English 1453 GMT 5 Sep 86

[Text] Beijing, September 5 (XINHUA) -- Liu Yi, minister of Commerce, gave a banquet for visiting Vice-President of the Commission of the European Communities Lord Cockfield and his party here this evening.

Cockfield and his party arrived here this afternoon for a friendly visit to China as guests of Ministries of Commerce and Foreign Affairs.

Cockfield Stresses Friendly Ties

OW061745 Beijing XINHUA in English 1549 GMT 6 Sep 86

[Text] Beijing, September 6 (XINHUA) -- Lord Cockfield, vice-president of the Commission of the European Communities, said here tonight that this China visit that he and his wife were looking forward to is valuable. Cockfield said this at a return banquet given by himself at the state guesthouse here this evening.

He said this has provided an opportunity for the European Communities and China not only to exchange information, but also their views. This is greatly beneficial to both Europe and China, he added.

Since Cockfield arrived here yesterday at the invitation of the Ministry of Commerce, he has called on the Ministries of Commerce and Foreign Affairs, the State Economic Commission and the Bank of China.

Cockfield said in the past two days he has found China has had immense improvement in every field compared with what he saw three years ago. Although China still has some problems, yet she can find solutions to them. He believed that China's economy will continue to progress.

Minister of Commerce Liu Yi who attended the banquet said Cockfield's visit has contributed to the expansion of friendly relations and cooperation between the European Communities and China.

Meets With Zhao Ziyang

OW071352 Beijing XINHUA in English 1341 GMT 7 Sep 86

[Text] Beijing, September 7 (XINHUA) -- Chinese Premier Zhao Ziyang said here today that China attaches great importance to expanding relations with the European Communities and its member countries and is willing to establish long-term and stable relations of friendship and cooperation with them.

During a meeting today with Lord Cockfield, vice-president of the EC Commission, Zhao noted with pleasure the good relations between China and the EC in the political, economic, trade, scientific and technological fields.

"We hope this kind of cooperation will grow further," he added. Zhao also said he hoped Europe would ease its restrictions on China's exports to the European market, in order to enable China to increase its exports to West Europe and maintain the trade balance.

He said China is working hard to improve its investment environment for foreign investors, adding that West European firms and traders are welcome to run joint ventures and wholly-foreign-owned enterprises in China.

Zhao reiterated that China wishes to see a united and strong Europe, which is essential not only to safeguarding world peace but also to promoting development of the world economy. This is China's consistent policy, he noted.

Cockfield said it is their firm desire to unite the 12 member countries of the European Communities as a unified market. He also said they have drawn up some plans, which are very important for promoting trade between the EC and China.

Later today, Chinese State Councillor and Minister of Finance Wang Bingqian met Cockfield and his party.

ZHANG AIPING MEETS WITH ITALIAN DEFENSE MINISTER

OW091346 Beijing XINHUA in English 0947 GMT 9 Sep 86

[Text] Rome, September 8 (XINHUA) -- The Chinese and Italian defense ministers said today that they expect further cooperation between their armies on military technology and industry.

Giovanni Spadolini, Italian defense minister, praised the Chinese attitude towards a united Europe during his talks with the Chinese counterpart Zhang Aiping.

For his part, Zhang expressed the hope that Italy will play a more important role in the Middle East Peace process.

The two ministers also exchanged views on the world situation and East-West relations.

Zhang, who is Chinese State Councillor as well as defense minister, arrived here with his party this morning. Spadolini held a banquet at the Barberini Palace tonight to welcome Zhang.

Present at both the talks and the banquet were China's Deputy Chief of General Staff He Qizhong, Chinese Ambassador in Rome Du Gong, and Italian Defense Chief of Staff Riccardo Bisoqmero.

HU YAOBANG MEETS SPANISH COMMUNIST PARTY LEADER

OW051014 Beijing XINHUA in English 0958 GMT 5 Sep 86

[Text] Beijing, September 5 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang met Enrique Curiel, vice-general secretary of the Spanish Communist Party (SCP), and his party here today.

During the meeting, Hu gave an account of China's economic situation and said the economic situation since 1978 has made him feel optimistic. Hu attributed it to the good work the Chinese Communist Party had done over the past seven or eight years. He said China had lessons in how to deal with Marxism correctly.

"Marxism has indeed given us the scientific method to know and change the world, but the Marxist classics only indicate the direction and provide tentative ideas for building socialism and communism rather than prescribe a complete set of methods of how to build socialism," he noted.

He said the question of how to build socialism is still in practice. "Only in the practice can we tell something to be right from wrong, and we should be both brave and modest and try to manage our things well," he added. "We believe that China has hopes if it keeps to the way it is now doing things." Curiel agreed with Hu's views.

During the talks, Hu also expressed satisfaction over the good relations between the CPC and the SCP, noting that he was pleased with the every achievement the SCP has scored. He hoped that the Spanish Communist Party would strengthen their unity. Anyhow, he added, how to resolve the problem concerning unity was SCP's internal affairs.

Curiel said the SCP would redouble its efforts to expand the relations between the two communist parties.

Zhu Liang, head of the International Liaison Department under the CPC Central Committee, assisted Hu on the occasion.

Curiel and his party arrived here August 20 for a vacationing tour. They have visited Hangzhou, Shanghai, Xiamen and Xi'an and will leave Beijing for home soon.

FRG'S STATE DELEGATION LEAVES SHENYANG 7 SEP

SK080632 Shenyang Liaoning Provincial Service in Mandarin 0930 GMT 7 Sep 86

[Text] After winding up its 3-day friendly visit in Liaoning Province, the delegation of Baden-Wurttemberg State Municipal Administrative Council of the FRG, headed by Richard Seeger, president of the Council, left Shenyang by plane on 7 September.

While the delegation stayed in the province, Bai Lichen, vice governor of the province; and (Li Zongwu), vice mayor of Shenyang City, respectively met with and feted the delegation. The delegation also visited [words indistinct]. It also talked with relevant departments of the province about issues related to municipal administrative construction, local financial affairs, environmental protection, and foreign trade. The guests from the FRG also visited the provincial experiemental middle school and places of historic interest and scenic beauty in Shenyang Palace Museum.

UK'S HOWE VISITS PRC EXHIBIT AT AIR SHOW

OW051200 Beijing XINHUA in English 1018 GMT 5 Sep 86

[Text] London, September 4 (XINHUA) -- British Foreign Secretary Sir Geoffrey Howe today visited the Chinese exhibition at the Farnborough Aerospace Show.

He told Chinese exhibitors that he will accompany Queen Elizabeth on her visit to China next month, and was very pleased to see the Chinese presence at Farnborough.

Howe was interested in many details of the Chinese exhibits, including models of civilian and military aircraft, helicopters, air-to-air missiles, and coastal defence missiles. All of the exhibits were developed and made by Chinese.

The foreign secretary said he felt satisfied when he was told that an exhibit of the F-7 aircraft incorporates avionics components provided by Marconi, a British company, and that business contacts between the Chinese and British aerospace industries have been significantly increasing.

China is making its first appearance at the Farnborough International Aerospace Show, the world's biggest showcase of its kind, which has attracted more than 700 manufacturers from 24 countries.

SINO-EUROPEAN INSTITUTE FOUNDED IN BELGIUM

OW100014 Beijing XINHUA in English 2351 GMT 9 Sep 86

[Text] Brussels, September 9 (XINHUA) -- Belgian Prime Minister Wilfried Martens and Chinese Ambassador to Belgium Liu Shan today planted a Himalayan pine on the campus of the University of Louvain to mark the founding of the Sino-European Institute.

The new institute is designed to promote cultural, scientific and technological exchanges and is sponsored by the University of Louvain with the help of Belgian scholars, sinologists and business people interested in promoting Sino-Belgian friendship.

Speaking at the opening ceremony, Martens recalled the historical contacts between Belgium and China and pointed out that the new institute should take the lead in creating a favorable climate for exchanges between different cultures and peoples on the basis of equality and mutual respect.

In his speech, Chinese Ambassador Liu Shan expressed his appreciation to the great contributions made by the University of Louvain both past and present to Sino-European exchanges. He said he hopes the new institute will further enhance Sino-European cooperation and friendship.

Belgian Foreign Minister Leo Tindemans also praised the cooperation and exchanges between the two countries, especially in the period since Beijing and Brussels established diplomatic ties 15 years ago.

The institute will hold its first symposium on Sino-European cultural exchanges September 11 to 13.

REPORTAGE ON CSSR'S ROHLICEK IN BEIJING

Li Peng Hosts Banquet

OW071702 Beijing XINHUA in English 1422 GMT 7 Sep 86

[Text] Beijing, September 7 (XINHUA) -- Chinese Vice-Premier Li Peng hosted a banquet here tonight in honor of S. Rudolf Rohlicek, first vice-premier of the Government of the Czechoslovak Socialist Republic, his wife and party here tonight.

Li Peng said in his toast, in recent years relations between China and Czechoslovakia in political, economic, scientific and technological, cultural and educational fields as well as in public health and sports have developed smoothly.

"Cooperatave relations in trade, science and technology have in particular expanded rapidly, which are conducive to the socialist construcion of the two countries and to safeguarding world peace," he said. Li called Rohlicek's visit itself a development of such friendly cooperative relations of the two countries.

Rohlicek said the distance between Czechoslovakia and China cannot hinder the expansion of their bilateral relations. "We treasure the brilliant history of China, its contribution to mankind over the past several thousand years, and its efforts now being made for the contemporary civilization." he noted.

Czechoslovakia hoped to develop the cooperative relations based on mutual-benefit with China and hoped the current visit would help consolidate and enhance the existing relations in all fields between the two countries, he stressed.

Rohlicek and his party arrived here from Prague by special plane this afternoon. They were greeted at the airport by Li Peng.

The banquet was also attended by Song Ping, state councillor and minister in charge of State Planning Commission; Song Jian, state councillor and minister in charge of State Science and Technology Commission; and Qian Zhengying, minister of water resources and electric power.

Reviews Relations

OW081230 Beijing XINHUA in English 1047 GMT 8 Sep 86

[Text] Beijing, September 8 (XINHUA) -- Chinese vice-premier Li Peng and visiting Czechoslovak First Vice-Premier S. Rudolf Rohlicek exchanged views on the expansion of bilateral relations here today.

The two vice-premiers reviewed the growth of bilateral relations over the past few years, especially since their meeting in Czechoslovakia last December.

Li Peng said a sign of his successful visit to Czechoslovakia last year was the signing of a long-term trade agreement between the two countries, which indicates that bilateral economic and technological cooperation has entered a new period of prolonged, steady development.

According to the agreement, the volume of bilateral trade will amount to five billion Swiss francs. A relevant Chinese department disclosed that the trade volume of the two countries is expected to reach 950 million Swiss francs this year.

Rohlicek said Czechoslovakia will continue its efforts to implement the agreement and strive to further expand the volume of bilateral trade. He noted that it is the hope of Czechoslovakia to strengthen its cooperation with China in electric power, metallurgical, food, and electronic and light industries and in modernizing railway transport. It would also like to take an active part in the retooling of China's old factories, he added.

Li Peng expressed his satisfaction with bilateral cooperation in open-end spinning technology, and welcomed bilateral cooperation in utilizing coal gas. He also welcomed Czechoslovakia to increase the imports of machinery, electronics, textiles and other light industrial products, and consumer goods from China.

This afternoon, Chinese State Councillor and Foreign Minister Wu Xueqian discussed issues of common interest with Czechoslovak First Vice-Minister of Foreign Affairs S. Jindrich Behorek, who is accompanying the first vice-premier on the visit.

Meets With Zhao Ziyang

OW081452 Beijing XINHUA in English 1421 GMT 8 Sep 86

[Text] Beijing, September 8 (XINHUA) -- Chinese Premier Zhao Ziyang said here today that China has a sincere and positive attitude toward expanding Sino-Czechoslovak relations.

Speaking at a meeting with Czechoslovak First Vice-Premier S. Rudolf Rohlicek, Zhao stated that growth of these relations has a good foundation and broad possibilities. The Chinese and Czechoslovak peoples have profound and traditional friendship, he said, and there are many common points in the two countries' internal and external policies.

Both China and Czechoslovakia work for world peace and both are developing their own socialist economies, Zhao said. Therefore, he added, expanding their bilateral relations accords with the desire and basic interests of the two peoples.

Zhao said,"We are pleased to see that Czechoslovak comrades share our desire to expand bilateral relations." The principle of mutual respect is important to developing our two countries' political relations and so is the principle of equality and mutual benefit to our economic relations, he said.

Zhao pointed out that China respects Czechoslovakia's internal and external policies and is willing to expand bilateral relations in a realistic way. China will never force its opinions on others, he added. He expressed satisfaction with the recent development of the two countries' relations.

The direct contacts between the two countries' high-level leaders, exchange of visits by ministers and the current visit by the first vice-premier, Zhao said, marks new growth in bilateral relations. He also expressed his belief in continued development of bilateral relations as a result of their joint efforts.

Rohlicek said he is pleased to see the growth in bilateral relations and China's economic achievements in recent years. He said through the current visit they will further explore cooperation between the two countries, review the implementation of their long-term trade agreement and find out new ways of implementing it.

He also briefed Zhao on Czechoslovakia's internal and external policies and economic development. He conveyed best regards from Czechoslovak Premier Strougal to Zhao. Zhao also asked the vice-premier to convey his sincere regards to Strougal.

Trade Protocol Signed

OW091340 Beijing XINHUA in English 1020 GMT 9 Sep 86

[Text] Beijing, September 9 (XINHUA) -- An agreement between the Chinese and Czechoslovak Government on the transportation of foreign trade goods for 1986-1990 was signed here today. According to the document, the two sides will strengthen their cooperation in sea and railway transportation and establish a Sino-Czechoslovak joint corporation for sea transportation on the principle of equality and mutual benefit.

Present at the signing ceremony were Chinese Vice-Premier Li Peng and visiting First Vice-Premier of Czechoslovakia Rudolf Rohlicek.

Chinese Vice-Minister of Communications Lin Zuyi and Czechoslovak Vice-Minister of Foreign Trade Ludovit Priecel signed the agreement on behalf of their respective government. After the signing ceremony both vice-premiers continued their talks at the state guesthouse here.

Talks With Li Xiannian

OW091214 Beijing XINHUA in English 1200 GMT 9 Sep 86

[Text] Beijing, September 9 (XINHUA) -- Chinese President Li Xiannian said here today that China respects Czechoslovakia's domestic and foreign policies which have been worked out in the light of its own conditions.

The Chinese president said this at a meeting with the visiting Czechoslovak First Vice-Premier S. Rudolf Rohlicek here this afternoon. Li expressed satisfaction with the development of the Sino-Czechoslovak relations, which he hoped will continue to grow.

Rohlicek told Li that he had held two rounds of talks with Chinese Vice-Premier Li Peng in the last two days. These talks have deepened their mutual understanding and will help promote cooperation between the two countries.

Rohlicek conveyed greetings from Czechoslovak President Gustav Husak to the Chinese president, who in turn asked Rohlicek to give his best regards to the Czechoslovak president. Vice-Premier Li Peng was present on the occasion.

The Czechoslovak Ambassador to China Zdenko Cheben gave a banquet here this evening on the occasion of the Czechoslovak vice-premier's visit to China. Chinese Vice-Premier Li Peng was among those present at the banquet.

LI PENG MEETS BULGARIAN ELECTRONICS DELEGATION

OW010946 Beijing XINHUA in English 0815 GMT 01 Sep 86

[Text] Beijing, September (XINHUA) -- Vice-Premier Li Peng met a Bulgarian delegation from the Association of Electronics led by its president, Ivan Tenev, here today. Li Xue, minister of Astronautics Industry, and Doncho Donchev, Bulgarian ambassador to China, attended the meeting.

SEVEN WRITERS TO ATTEND MEETING IN BULGARIA

OW060510 Beijing XINHUA in English 0047 GMT 6 Sep 86

[Text] Sofia, September 5 (XINHUA) -- The Sixth International Writers' Meeting is scheduled to be held in Sofia from October 28 to 30, chairman of the Bulgarian Writers' Association Lyubomir Levchev announced here today.

Levchev told a news conference that China will for the first time send seven writers to this year's "Sofia-86" international gathering, to be attended by writers from 66 countries. The theme of the 1986 meeting remains to be "Peace -- The Globe's Hope" and participants will focus their discussions on promoting "the Helsinki spirit" and peace and disarmament, Levchev said. Apart from the plenary sessions, seminars of various kinds will also be held during the Sofia meeting, to deal with various particular issues writers are encountering in their literary creation work, according to Levchev.

BULGARIAN SOCIALIST ANNIVERSARY MARKED

CPAFFC Reception

OW080026 Beijing XINHUA in English 0008 GMT 8 Sep 86

[Text] Beijing, September 6 (XINHUA) -- The 42th anniversary of the Bulgarian socialist revolution was marked here today at a reception given by the Chinese People's Associaion for Friendship with Foreign Countries [CPAFFC].

In their toasts, Liu Gengyin, vice-president of the Association, and Velko Krastev, minister plenipotentiary of Bulgarian Embassy in China, hoped for the expansion of the traditional friendship and cooperative relations between the two peoples and their governments. Bulgarian Embassy officials and leading members of departments concerned in the Chinese capital attended the reception.

Envoy's Reception

OW090830 Beijing XINHUA in English 0703 GMT 9 Sep 86

[Text] Beijing, Xeptember 9 (XINHUA) -- Bulgarian Ambassador to China Doncho Donchev and his wife gave a reception here this afternoon at the embassy to mark the 42 anniversary of Bulgarian socialist revolution. Wang Hanbin, secretary-general of the Standing Committee of the National People's Congress, and Ding Guangen, minister of railways, attended the reception.

QIAN QICHEN ON REVISED CONSULAR TREATY WITH GDR

OW300013 Beijing XINHUA Domestic Service in Chinese 1224 GMT 27 Aug 86

[Text] Beijing, 27 Aug (XINHUA) -- Today, at the 17th Session of the 6th National People's Congress Standing Committee, entrusted by the State Council, Vice Minister of Foreign Affairs Qian Qichen explained the Consular Treaty Between the People's Republic of China and the German Democratic Republic.

First he introduced the drafting process of the treaty. he said: Since the signing of the consular treaty between the PRC and the GDR in 1959, significant changes have taken place in the international situation and in the relations between the two countries. In recent years especially, relations between the two nations have developed and greatly strengthened; the scope of cooperation between the two countries has constantly expanded; and personnel contacts and trade, economic, and cultural exchanges have increased. Taking into account the fact that the consular treaty between China and the GDR, signed in 1959, contains few articles and a simple format, it is far different from those China has signed with other countries since the implementation of the policy of opening up to the outside world, and is no longer able to meet current needs. The Ministry of Foreign Affairs, after requesting approval from the State Council to conclude a new consular treaty with the GDR, submitted a draft treaty to the GDR in September 1984. In May and October 1985, the Chinese negotiating delegation headed by Tian Ding, director of the Consular Affairs Department of the Ministry of Foreign Affairs, and the GDR negotiating delegation headed by Vogel, director of the Consular Affairs Main Department of the GDR Ministry for Foreign Affairs, held talks on the text of the treaty in Beijing and Berlin respectively. On the basis of these friendly negotiations, mutual understanding, and mutual accomodation, the two parties soon reached an agreement, and the two delegation heads initiated the treaty on 7 November that year. On 31 May 1986, while Foreign Minister Wu Xueqian was visiting the GDR, the two countries' foreign ministers, on behalf of their countries, officially signed the treaty.

Elaborating on the major contents of the treaty, he said: There are 52 articles in the revised treaty, 29 more than in the one signed in 1959. Substantial revisions were made in the contents, specifically more details were added to the section on the duties, privileges, and immunity of consuls. Generally speaking, the treaty's provision on privileges and immunity are basically the same as those stipulated in the Vienna Consular Relations Convention except that some provisions have been expanded in accordance with the socialist realities in China and in the GDR. Nevertheless, these provisions fall within the scope stipulated by consular treaties signed between China and other countries.

Qian Qichen said: The stipulations of the treaty will enable the embassy and consulate personnel of the two parties to better perform their duties and will enable the two countries to promptly and correctly handle specific questions relating to consular affairs. The agreement on the revised Consular Treaty Between the People's Republic of China and the German Democratic Republic was reached on the basis of the State Council's approved draft consular treaties between China and foreign countries and on the basis of consular treaties that have already been signed.

The new consular treaty coincides with China's laws and international practices, and it also accommodates the actual situation in the two countries.

DENG LIQUN MEETS GDR JOURNALIST 8 SEPTEMBER

OW081218 Beijing XINHUA in English 1104 GMT 8 Sep 86

[Text] Beijing, September 8 (XINHUA) -- Deng Liqun, member of the Secretariat of the Chinese Communist Party Central Committee, met here today with Wolfgang Clausner, first deputy editor of "THE HORIZON", a monthly of the German Democratic Republic.

Deng answered questions concerning the present political and ideological work of the Chinese Communist Party and the restructuring of China's economic system.

HUNGARY'S FALUVEGI CONTINUES VISIT TO PRC

Meets Hu Qili

OW301220 Beijing XINHUA in English 1205 GMT 30 Aug 86

[Text] Beijing, August 30 (XINHUA) -- Hu Qili, member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, met Lajos Faluvegi, vice-chairman of the Council of Ministers and chairman of the National Planning Office of Hungary, here this afternoon.

Hu extended a warm welcome to Faluvegi on behalf of the CPC Central Committee. Hu also expressed satisfaction with the development of bilateral relations in recent years. "China hopes to further such relations," he added.

After briefing the guests on China's on-going economic urban structural reform, Hu said China attaches great importance to Hungary's experience in economic structural reform. "Though we have differences, there is much in your experience that we can make use of," he noted.

Faluvegi said that Hungarian leaders also attach importance to and support the effort to expand the mutual cooperative relations between the two countries.

Earlier today, Song Ping, state councillor and minister in charge of the State Planning Commission, and Faluvegi signed a summary of their talks. The two sides agreed to further expand bilateral trade and economic and technological cooperation.

Notes Strengthening Ties

OW311054 Beijing XINHUA in English 0717 GMT 31 Aug 86

[Text] Beijing, August 31 (XINHUA) -- Lajos Faluvegi, vice-chairman of the Council of Ministers of Hungary, told XINHUA before leaving here for home today that his country will expand economic relations with China on the basis of equality and mutual benefit.

During his ten-day visit to China, Faluvegi held talks with Chinese state councillor Song Ping and they signed a document which called for more efforts to increase bilateral trade and technical cooperation.

The Hungary official said the two countries could strengthen their economic relations in the following aspects:

--While stabilizing their present barter trade the two countries could undertake a higher level of economic cooperation such as co-production and joint ventures;

--China's provinces could involve more directly in the economic cooperation between the two countries;

--The two countries should put more emphasis on their scientific and technological cooperation and the training of technical personnel;

--The two countries may cooperate in manufacturing buses in addition to Hungary's supply of trucks, buses and their spare parts to China;

--Hungary is interested in buying the latest models of Chinese ships and railroad cars and other railway facilities; and

--Hungary has started talks with China on exporting a power plant.

Faluvegi said bilateral trade had grown rapidly in the past few years. "In 1985 the total volume of the trade between the two countries was two and a half times that of the 1984 figure," he said.

PEACE DELEGATION LEAVES 7 SEP FOR HUNGARY VISIT

OW070828 Beijing XINHUA in English 0726 GMT 7 Sep 86

[Text] Bejing, September 7 (XINHUA) -- A delegation from Chinese People's Association for Peace and Disarmament led by its Vice-President Bishop Joseph Zong Huaide, who is also chairman of the China Patriotic Catholic Association, left here today for Hungary.

The delegation is going to visit Hungary at the invitation of the Hungarian Peace Council.

SONG RENQIONG MEETS ROMANIANS, HOSTS BANQUET

OW011522 Beijing XINHUA in English 1341 GMT 1 Sep 86

[Text] Beijing, September 1 (XINHUA) -- Song Renqiong, vice-chairman of the Central Advisory Commission of the Chinese Communist Party, met a Romanian Communist Party workers' delegation led by Ion Vlad, first vice-chairman of the People's Committee of Vaslui County, here this evening.

The meeting was followed by a dinner given by Song. Present on the occasion were Li Shuzheng, deputy head of the International Liaison Department of the CPC Central Committee, and Angelo Micelescu, Romanian ambassador to China.

SOUTH AFRICA CANCELS BISHOP DING'S VISA

HK050530 Hong Kong SOUTH CHINA MORNING POST in English 5 Sep 86 pp 1, 2

[By Walter Cheung]

[Excerpts] South Africa yesterday cancelled the visa of China's Protestant head, Bishop Ding Guangxun, one day after he was issued with the document allowing him to attend Bishop Desmond Tutu's enthronement as Archibishop of Cape Town.

The cancellation came only four hours before Bishop Ding, head of China's three million Protestants, and two aides were due to fly out of Hong Kong.

Bishop Ding (known in the West as Bishop K.H. Ting) was about to leave for the airport when he learned of the cancellation.

He described the South African Government as "very impolite to the Chinese people," and the decision as "very regrettable."

The general secretary of the China Christian Council, Mr Han Wancho, handed the consulate letter to Bishop Ding in his hotel room at 5 pm They were due to fly to London at 9:30 for a connecting flight to Cape Town.

Bishop Ding, president of the China Christian Council, read the one-sentence letter and told the SOUTH CHINA MORNING POST that the South African Government had interfered with religious freedom.

Bishop Ding said the Government was "very impolite to the Chinese people. I am very surprised."

Late last night, Bishop Tutu telephoned Bishop Ding in his hotel room and together they said a prayer that Bishop Ding and his aides would "get over their sorrow" at not being able to attend the ceremony.

Bishop Tutu said "distance cannot separate Christians and Christian love cannot be harmed by distance imposed on us." He asked God to bless the Chinese Church.

Bishop Ding had earlier sent a telegram to Cape Town saying in part that Bishop Tutu was "God's gift to all churches of Christ, including ours."

It said: "We assure you of Chinese Christians, thanksgiving and prayers. May God bless you and Mrs Tutu and give you wisdom and strength. Please accept our hearty congratulations."

Together with his aides, Bishop Ding would have been the first Protestant official from China since the communist takeover to visit South Africa.

Last night, an official of the South African Consulate in Hong Kong said visas were granted on Wednesday only after approval was received from Pretoria. He did not know why his Government had changed its mind.

The official said the consulate invariably referred applications by people from China to Pretoria and he estimated that about 10 applications were processed every year, most for people wishing to visit relatives.

The South African Department of Home Affairs last night refused to say how many of the 200 foreigners invited to the ceremony had been prevented from attending.

The press secretary arranging the enthronement, Mr C. Brown, said in Cape Town last night that as far as he knew Bishop Ding was the fifth guest who had experienced a visa problem of some kind.

Most of the foreigners invited are church officials, including the Archbishop of Canterbury, Dr Robert Runcie.

Dr Runcie was understood to be pressing on last night with his preparations to travel to Cape Town. [passage omitted]

Bishop Ding said there was no political element in his trip, which followed an invitation by Bishop Tutu during his recent trip to China several weeks ago.

He said Bishop Tutu was a good friend of China, particularly to Protestants there.

"His trip drew the attention of the entire nation," Bishop Ding said.

He said he had never made any public statements about the South African Government.

Bishop Ding said he was going as a clergyman and his trip had nothing to do with the country's internal problems.

Bishop Ding said through his presence, he had hoped to let the future archbishop know that "the hearts of the several million Chinese Protestants are with him."

"We hope God will bless him," Bishop Ding said. [passage omitted]

XI ZHONGXUN MEETS S. AFRICA COMMUNIST DELEGATION

OW091429 Beijing XINHUA in English 1335 GMT 9 Sep 86

[Text] Beijing, September 9 (XINHUA) -- The Communist Party of China (CPC) and the Chinese people firmly stand on the side of the South African people and support them in their struggle against apartheid and for racial equality, CPC Central Committee Political Bureau Member Xi Zhongxun said here today.

He said this during his talks with a delegation from the South African Communist Party led by its Chairman Joe Slovo.

Xi said the CPC is willing to exchange views with the delegation on matters of common interest in accordance with the principles of independence, complete equality, mutual respect and mutual non-interference in each other's internal affairs.

This will surely increase mutual understanding and friendship between the two communist parties, he added.

Xi said he appreciated the unremitting efforts made and the important role played by the South African Communist Party in the struggle for freedom, equality and emancipation through unity with the large number of oppressed black people and people from various circles in South Africa.

Slovo said he is pleased to have a chance to visit China so as to enhance mutual understanding and friendship between the two parties. The South African Communist Party has always been encouraged by the Chinese people's achievements, he added. Slovo also gave an account of the situation in South Africa and the party.

The talks were followed by a dinner Xi gave for the delegation. Zhu Liang, head of the International Liaison Department of the CPC Central Committee, was present at the talks and dinner.

The delegation arrived here Monday at the invitation of the CPC.

PARLIAMENTARY LEADERS HOLD TALKS WITH MALIANS

Seypidin Expresses Satisfaction

OW091234 Beijing XINHUA in English 1225 GMT 9 Sep 86

[Text] Beijing, September 9 (XINHUA) -- Seypidin Aze, vice-chairman of China's National People's Congress Standing Committee, held talks here today with Sidiki Diarra, president of the National Assembly of Mali.

During the talks, Seypidin expressed satisfaction with the smooth development of the Sino-Malian relations in the last two decades and more. He mentioned that the two countries have achieved initial results in their new experiments on economic and technical cooperation in the last two years.

Seypidin said that the visit of Diarra's delegation, the first one from the Malian National Assembly to China, has opened up a new channel for contacts between the two countries.

Diarra told his host that the Malian people cherish friendly feelings toward the Chinese people and the Malian National Assembly will contribute to the relations between the two countries. The Malian delegation arrived here from a friendship visit earlier today.

Malians Feted at Banquet

OW091814 Beijing XINHUA in English 1431 GMT 9 Sep 86

[Text] Beijing, September 9 (XINHUA) -- China's National People's Congress Standing Committee gave a banquet for a delegation from the Malian National Assembly led by its President Sidiki Diarra here tonight. In the name of the Standing Committee Chairman Peng Zhen, Vice-Chairman Seypidin Aze presided over the banquet.

Seypidin said Sino-Malian relations are based on the five principles of peaceful-coexistence and will stand the test of time.

He spoke highly of the Malian Government and people who have adopted suitable economic policies and measures and promoted development of the national economy. He also praised them for their achievements in combatting drought and sand.

He strongly condemned the South African authorities for their racist policies, adding that China will, as always, continue to join Mali and other African countries in supporting the South African people in their just struggle.

Diarra said Mali and China have entered into fruitful cooperation since the establishment of their diplomatic relations more than 20 years ago. This cooperation, he said, is extending to every field.

He said the Malian people are following, with great interest, the reforms the Chinese people are carrying out for realizing socialist modernization, accelerating economic development and building a socialist country with Chinese characteristics.

He said he appreciated China's position of firmly supporting the South African people for their struggle against apartheid and the Namibian people for their struggle for national independence.

TIAN JIYUN WELCOMES TANZANIAN DELEGATION

OW052021 Beijing XINHUA in English 1525 GMT 5 Sep 86

[Text] Beijing, September 5 (XINHUA) -- Chinese Vice-Premier Tian Jiyun gave a banquet in honor of Seif Shariff Hamad, chief minister of Zanzibar, Tanzania, and his party at the state guesthouse here this evening.

In their speeches, both Tian and Hamad spoke highly of China-Tanzania friendly relations and cooperation and expressed the belief that bilateral friendship and cooperation will further expand in the future. They also condemned the South African authorities' cruel suppression of their people and the creation of tense situation in southern Africa.

Tian praised Tanzania for its contributions to the struggle against the South African authorities' racism.

He said the Chinese Government and people will resolutely support the just struggle by the South African, Namibian people and people in southern Africa.

Present on the occasion were He Kang, minister of agriculture, animal husbandry and fisheries, and leading members of other government departments concerned.

Hamad and his party who arrived here this afternoon were greeted at the airport by Tian Jiyun.

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HU QILI MEETS CANADIAN WRITER CHEN JO-HSI

OW031427 Beijing XINHUA in English 1403 GMT 3 Sep 86

[Text] Beijing, September 3 (XINHUA) -- Hu Qili, member of the Political Bureau of the Chinese Communist Party Central Committee, met Chinese-born Canadian writer Chen Jo-hsi here this afternoon. Hu, also member of the Secretariat of the CPC Central Committee, briefed her on China's economic reform.

NICARAGUA'S D'ESCOTO ON ORTEGA VISIT TO PRC

OW291532 Beijing XINHUA in English 1512 GMT 29 Aug 86

[Text] Harare, August 29 (XINHUA) -- Nicaraguan President Daniel Ortega's visit to China in September will be "very important" and lead to closer relations between the two countries, Nicaraguan Foreign Minister Miguel d'Escoto said here today.

D'Escoto told XINHUA here this morning that "it is just excellent" for President Ortega to visit China. "I am looking forward with best wishes to this important event in our relationship with the people and government of China."

D'Escoto is in Harare for the foreign ministers' conference preceding the eighth summit of Non-Aligned Movement (NAM), which opens September 1.

Ortega, after attending the non-aligned summit, will visit China from September 11 to 14 at the invitation of Chinese President Li Xiannian.

Referring to the Non-Aligned Movement's support for Nicaragua, D'Escoto noted that the draft document prepared by summit host Zimbabwe for the foreign ministers' conference contains a long section on the situation in Central America. "It is obvious that the Non-Aligned Movement, as always, will express support to the people and government of Nicaragua in their just struggle to defend the right to self-determination from imperialist aggression," he noted.

He went on to say that the United States has hampered the peace efforts of the Contadora Group, which is made up of Colombia, Mexico, Panama and Venezuela, and the Lima Support Group, Argentina, Brazil, Peru and Uruguay. Those groups have been working hard for peace in Central America, "but peace does not hinge on them, nor on Central American countries, but on the United States working behind," he explained.

The United States "is committed to a policy of war and strength" against Nicaragua, he said. "We see no signs that the United States is going to change its policy of strength," D'Escoto added.

D'Escoto visited China last December to sign the document establishing diplomatic relations between Nicaragua and China.

CRENMIN RIBAO ON SAFEGUARDING REFORM'S REPUTATION

HK091009 Beijing RENMIN RIBAO in Chinese 6 Sep 86 p 4

["Random Talk" column by Xu Jingchun "Safeguard the Reputation of Reform"]

[Text] Reform enables socialism to win the good reputation that it should have. However, things which should be changed in the course of reform may still stubbornly maintain their sphere of influence in other forms. Therefore, there may be things which smear the reputation of reform. For example, some local authorities, while openly advocating reform, are playing various tricks and practicing fraud to different degrees; and some other local authorities merely produce empty talk about reform and do not take any actual action. All this has made people resentful of the concrete reform measures in certain units and departments.

Reform must be continued, and we must not backtrack to the old path. At present, there is a bad tendency. That is, some people tend to backtrack to the old path when they encounter setbacks in reform. They do not concentrate on seeking ways to solve problems, but only clamor that "it is better not to change things!" Under the pressure of opinion, some comrades have also retreated, and reform in some places has stagnated. The reputation of reform is harmed by such cowardly retreating. Some people gloat over the retreating and say: "What good is it to change the old conventions? You eventually return to the original position." The stagnation and retreating have dampened the enthusiasm of reform-minded people.

Reform must avoid problems. In some departments, reform is merely an empty slogan to be shouted loudly, and there are no effective reform measures. The leaders there merely select some minor projects which they regard as entailing no risk to carry out "reform" and then make a big fanfare about such "reform," but such reform will not solve any problems. It is impossible to carry out reform in the way we do some industrial operations, using a safety belt. Reform will inevitably affect some people's vesited interests, and various complicated factors may react to each other and exert constraints on each other. What should we do then? Our only way out is to make bold breakthroughs so as to win the people's confidence.

Reform is not a game for fun, and we cannot be reckless in making unrealistic commitments and promises when we begin reform and then lightly abandoning the reform plans without bringing about any results. Reform is an arduous task, which we must fulfill through hard work rather than empty talk. So we should speak little or even not at all, but concentrate on actual action.

An ancient saying goes: "It is shameful if one merely promises to do something but takes no real action." What we need is down-to-earth action rather then irresponsible, empty, talk. Many of the outstanding young and middle-aged factory directors or managers elected last year have now been removed from enterprise leading positions, and only a very small number of them were dismissed due to violation of laws and regulations. Why? Many reasons can be found. Some of them did not win necessary support from the higher authorities; and some other comrades were too reckless in announcing their grand programs and could not really put them into practice, so they lost the support of the masses.

Promises must be kept and action must be resolute. All comrades now taking the lead in reform must be very prudent in making promises and must be resolute in taking real action to advance reform and to safeguard the reputation of reform.'

COMMENTARY VIEWS LABOR REFORM MEASURES

OW091034 Beijing XINHUA in English 1022 GMT 9 Sep 86

["Commentary: Major Step in Reform of Labor System" -- XINHUA headline]

[Text] Beijing, September 9 (XINHUA) -- The introduction of four provisional regulations by the State Council today on hiring and dismissing workers and unemployment insurance for state-owned enterprises constitutes a major step in the country's labor reform system. In the past 30 years China has adopted the policy of "unified distribution" of workers by administrative means to ensure life-long jobs. However, the old system, which does not take into consideration the needs of enterprises and the skill of specific workers has resulted in overstaffing and overlap. This in turn dampens the enthusiasm of the workers and naturally lowers efficiency and economic results.

This system does not conform with the ongoing reform of the economic structure and the development of the country's socialist planned commodity economy. With the commencement of the four new regulations on October 1, the old system of distributing lifelong workers to enterprises will come to an end. Different from the capitalist hiring system, the newly introduced labor contract system defines labor relations between enterprises and workers in the form of contracts which provide provisions on obligation, rights and interests. The basis of public ownership of the means of production will remain the same.

Observers here believe that the new labor system is advantageous to combining laborers with the the means of production and to the socialization of the labor management. The new labor system will also arouse the workers' sense of duty and invigorate enthusiasm. It is advantageous to revitalize enterprises and raise economic efficiency.

REGULATION ON DIPLOMATIC IMMUNITY PROMULGATED

OW070847 Beijing XINHUA Domestic Service in Chinese 0014 GMT 6 Sep 86

[Text] Beijing, 6 Sep (XINHUA) — Decree of the President of the People's Republic of China

No 44

The Regulations of the People's Republic of China Governing Diplomatic Privileges and Immunity have been adopted at the 17th Session of the Standing Committee of the 6th National People's Congress of the People's Republic of China on 5 September 1986. They are hereby promulagated for implementation.

[Signed] Li Xiannian, president of the People's Republic of China

[Dated] 5 September 1986.

DISSIDENT REPORTED IN CONFINEMENT SINCE 1985

HK100230 Hong Kong AFP in English 0122 GMT 10 Sep 86

[Text] Beijing, Sept 10 (AFP) -- Wu Wenli, one of the best-known members of the Beijing Spring dissident movement that flourished in 1978, has been in solitary confinement in a Beijing jail since last autumn, friends of his wife here say.

Mr Xu has not been allowed to see, write to, or receive mail from his family since he was put into a cell at Beijing's Prison No 1 last fall after his memoirs appeared in dissident publications and the Western media, they said. The exact date his solitary confinement began was not known.

Xing Zhonghe, director of Prison No 1, confirmed in June that Mr Xu was in the jail, but in good health and enjoying the same treatment as his 1,900 fellow prisoners.

The dissident's wife, who works in a Beijing factory, and their daughter have not seen him for nearly a year despite several trips to the prison gates, her friends said.

Mr Xu was one of the more moderate members of the Beijing Spring Movement, which between 1978 and 1980 called for greater democracy in China. The movement was later silenced by the authorities. He was sentenced in 1981 to 15 years in prison for "counter-revolutionary crimes."

Informed Chinese sources said in May and June that Mr Xu had been confined to a windowless cell at the prison in southern Beijing after his memoirs appeared in print. The handwritten 262-page document described in detail his trial and some 200 interrogations he underwent before judgement was handed down.

The prison director had said Mr Xu was allowed visits by his wife, but he was unable to specify when she last saw him. He said that solitary confinement was sometimes imposed on convicts for "bad conduct," but that its duration never exceeded a week or 10 days.

Mr Xing added that he was unaware of the publication of the memoirs, which reportedly prompted the solitary confinement. But a friend of Mr Xu's wife told AGENCE FRANCE-PRESSE: "I can tell you with certainty that there has been no change in Xu Wenli's situation since he was put into solitary confinement last fall." His wife still has her factory job, the friend said, and has not been the target of police pressure.

Beijing Spring, best known for its hundreds of wall posters on central Beijing's "Democracy Wall," was initially supported by China's top leader, Deng Xiaoping. During the past four months, Mr Deng and other leaders have been speaking publicly of political reforms, which some say will lead to greater democracy in the country.

Several aspects of their proposed reforms bear similarities with the ideas of Beijing Spring activists, including its best-known member, Wei Jingsheng, who in 1979 was also jailed for 15 years for "counter-revolutionary crimes."

No concrete steps towards political reforms have been taken yet, however, and Western diplomats are skeptical that any major changes will occur before next year. Mr Wei gained fame with a wall poster he wrote, which called for "a fifth modernization: democracy." He said this was necessary to fulfill the four others modernizations announced by leaders of the post-Mao Zedong era: Defense, agriculture, industry and science and technology. But Beijing Spring later began to challenge the legitimacy of the Communist Party, and its leading members ended up in jail when Mr Deng's regime saw the movement as a direct threat against its authority.

NPC DECISION ON COUNTY, TOWNSHIP ELECTIONS

OW070843 Beijing XINHUA Domestic Service in Chinese 1051 GMT 5 Sep 86

[Text] Beijing, 5 Sep (XINHUA) -- Decision of the NPC Standing Committee on the Time for Electing Deputies to People's Congresses at the County and Township Level

(Adopted on 5 September 1985)

Decision of the 17th meeting of the 6th NPC Standing Committee: In accordance with the provisions of Article 98 of the "Constitution of the People's Republic of China" concerning the term of office of country and township people's congresses, the election of deputies to people's congresses at these two levels should be completed before the end of 1987.

NPC PROMULGATES PUBLIC ORDER REGULATIONS

OW070845 Beijing XINHUA Domestic Service in Chinese 1056 GMT 5 Sep 86

[Text] Beijing, 5 Sep (XINHUA) -- Decree of the President of the People's Republic of China

No 43

The Regulations of the People's Republic of China Governing Offenses Against Public Order have been adopted at the 17th Session of the Standing Committee of the 6th National People's Congress of the People's Republic of China on 5 September 1986. They are hereby promulgated for implementation effective 1 January 1987.

[Signed] Li Xiannian, president of the People's Republic of China

[Dated] 5 September 1986

RENMIN RIBAO COMMENTARY ON LOANS TO POOR AREAS

HK091315 Beijing RENMIN RIBAO in Chinese 7 Sep 86 p 2

[Commentator's article: "Proper Administration and Flexible Use of the Loans to the Poor"]

[Text] One of the most prominent problems faced by the poor areas in the course of economic development is the shortage of funds. Under the circumstances in which the state's financial resources are not abundant, the State Council has decided to increase annually the discounted special loans by 1 billion yuan in order to help the poor areas solve the food and clothing problems. The implementation of this weighty decision is significant in terms of mitigating the contradiction between the supply and demand of funds in the poor areas, and in the area of promoting economic development.

For a long time there have been many weak points in administering and using the loans to the poor: The loans were simply used as relief funds; the investment was too diversified; the loans were arbitrarily diverted to other purposes; and a large amount of loans for the poor was not spent on the area of developing and constructing the poor areas. Furthermore, there has been an unhealthy tendency that many people try all means to get the capital, but not many of them administer and use well the loans, and nobody is willing to shoulder the economic responsibilities. The state has invested an enormous funds in the poor areas but the results are not satisfactory. Many of the areas "remain poor ones despite the periodic allocation of funds." Therefore, we must reform the traditional methods of administering and using the funds while increasing funds to the poor areas.

The State Council leading group for the economic development of the poor areas proposed the principles and methods for using the newly increased discounted special loans. Not only do these principles and methods apply to the newly increased discounted special loans, but also to the administration and use of the funds granted earlier. Governments at all levels in the poor areas, acting in connection with these principles and methods, should seriously straighten out and consolidate their current practices of using the funds. Also, acting in the basic spirit of the "summary of minutes" and in connection with the local conditions, they should reform in an innovative way the administration and use of funds for helping the poor.

The most important point in reforming the methods of administering and using the funds is to concentrate in a selective way the funds for developing industries in the poorest areas. At the same time, the funds must be allocated for the appropriate items. The aim of using the funds must be closely related to the goal of solving the food and clothing problems, or putting an end to the poverty-stricken state. We should carry out a clearly defined responsibility system and carry out the necessary readjustment in connection with the results of using the funds. We must hold accountable those who use the funds in an inappropriate way or who fail to achieve the planned quota. Furthermore, the use of the funds must be coordinated with the use of technology, administration, information, and qualified personnel. The funds should be used for overall development. All of these require us to seriously explore through our practice of reforms. Only thus can we improve the economic results and social benefits of the funds as well as promote the economic development of the poor areas.

EXPERIMENTAL BANK REFORMS EXPAND IN 5 CITIES

HK080601 Hong Kong SOUTH CHINA MORNING POST in English 8 Sep 86 BUSINESS POST p 2

[By Paul Sham -- capitalized passages published in boldface]

[Text] The main plank of China's experimental bank reforms in five selected cities is a break from the practice by which regional bank could lend only up to the limit of cash reserves allocated by central government.

Under the new policy, only loan targets are being set, while the banks are left to find the funds themselves. The reform is part of moves to encourage banks to develop their deposit bases and expand their range of services.

Details were described in an interview given to the SOUTH CHINA MORNING POST by senior People's Bank of China [PBOC] officials from the five cities.

They were the deputy governor of PBOC's Changzhou branch, Yang Songliang; vice-planning commissioner of Guangzhou branch, Huang Zili; vice-commissioner of Wuhan branch, Ms Wei Shunzie; an assistant to the vice-commissioner of Shenyang branch, Ms Wang Siuchin; and a department head of Chongqin branch, Ms Li Hunglin.

All are attending a month-long banking seminar in Shenzhen.

They said five strategies had been mapped out:

FUND MANAGEMENT SYSTEMS WILL BE REORGANISED

Banks will be urged to increase their depsit bases by offering a greater range of savings schemes.

POST OFFICE SAVINGS SCHEMES. Post office savings accounts will also be introduced. Post office programs for construction are being urged to improve efficiency.

INTERBANK AND CAPITAL MARKETS WILL GRADUALLY BE CREATED.

Short-term interbank lending and borrowing will be allowed in 10 cities -- the five already named plus Shanghai, Beijing, Tianjin, Harbin, and Xian. Three times a month, the cities' banks will exchange status reports of funds available or needed.

Interbank interest rates will be based on PBOC lending rates to the four specialised banks (such as the Agricultural Bank), but a degree of variation and negotiation will be permitted.

The issue of securities and bonds will also be allowed and eventually all the cities are expected to set up securities trading centres.

Shenyang opened the country's first such centre last month. Guangzhou, Changzhou, Chongqing, and Wuhan have set no date to follow its example, the officials said, but centers would be established when the issue of securities reached a level at which an exchange mechanism was needed.

Foreign exchange centers would also be set up to make the best use of foreign currency held by domestic enterprises, they added.

THERE WILL BE GREATER USE OF CREDIT INSTRUMENTS.

Banks have been told to supplement the existing, simple forms of facilities -- cheques, letters of credit and postal orders -- with a full range of credit instruments, including travellers' cheques and credit and cheque guarantee cards.

A PYRAMID-SHAPED FINANCIAL FRAMEWORK WILL BE DEVELOPED.

In each city, the PBOC will set banking policy, while the specialised banks will be the chief vehicle for its implementation, with the various trust and investment companies and newly developed urban savings co-operatives playing a supplementary role.

The aim is for the four specialised banks to end duplication, especially in deposit-taking, and perform clearly distinct functions: the Bank of China concentrating on foreign exchange matters, with the other three -- the Industrial and Commercial Bank, Agricultural Bank and People's Construction Bank -- sticking to the areas indicated by their names.

EXECUTIVE BANKING COMMITTEES WILL BE SET UP AT CITY LEVEL.

The committee, comprising senior officials of PBOC and the four specialised banks, will execute policies set by central government by choosing strategies suited to local situations. Meetings will be held quarterly.

The officials said bank reform would not confined to the five cities.

"It only means that we will change a little bit faster than others and in a more even, developed way in regard to the five strategies," said Mr Huang of Guangzhou.

As an example, he said, banks is other cities would be allowed to tap the 10-city interbank market, but they would not receive the regular status reports and would have to negotiate on a case-by-case basis.

Similarly, post offices in Beijing, Tianjin, and Shijiazhuang, had already begun savings schemes to raise funds for state construction projects.

And banks in Shanghai and Shenzhen have been instructed from this month to locate funds themselves to meet their loan targets.

RENMIN RIBAO ON SUPPORTING JOINT VENTURES

HK040500 Beijing RENMIN RIBAO in Chinese 29 Aug 86 p 5

[Article by Ji Chongwei: "Make Efforts To Properly Run Sino-Foreign Joint Ventures"]

[Text] Chinese-Foreign Joint Ventures Are Flourishing

Seven years have passed since the July 1979 promulgation of the "Law of the PRC on Joint Ventures Using Chinese and Foreign Investment" -- the first law on introduction of foreign investment enacted by China after it began to pursue the policy of opening up to the outside world. More than 6 years have passed since the establishment of the first Chinese-foreign joint venture, the Beijing Air Catering Company Limited in May 1980. In the past few years, most of he existing Chinese-foreign joint ventures are running well, good economic results have been achieved, and both Chinese and foreign partners have reaped profits. The first group of joint ventures established since 1980 have boomed rapidly, among which are the Beijing Air Catering Company, the Tianjin Sino-French Wine Corporation, the Xinjiang Tianshan Woolen Textile Company, the Shenzhen Guangming Overseas Chinese Electronics Industrial Company, and the Shanghai-Faxboro Company Limited. Let us take the China Schindler Lift Company Limited, the first large industrial enterprise jointly operated by China and Switzerland established in China, as an example. In 1985, the company's annual output totaled 1,053 lifts, an increase of more than 100 percent over the output of 490 lifts recorded before the company was turned into a joint venture. In the past 6 years since joint operation, the company produced a total of more than 5,400 lifts, with the output growing at a rate of 23.7 percent a year. During the same period, the company make a total profit of 56.5 million yuan, an equivalent of more than 200 percent of the total investment value. So far, the company's total foreign exchange revenue derived from export has amounted to $16.92 million, and it has managed to maintain a balance of foreign exchange income and expenses with some surplus. What is more, the company has acquired advanced technology from the Swiss Schindler Lift Company, introduced a strict quality control process, and thus upgraded its products to international quality standards. The company has now built a good reputation on both the domestic and international markets and won the International Islamic Trade Award presented by the International Islamic Trade Organization. The company began to produce a new type of microcomputer-controlled lift last year and is to trial-produce 6-digit microprocessor-controlled super high speed lifts with the world's advanced standard. Regarding enterprise management, the company has benefited from Switzerland's expertise and introduced the scientific management and personnel systems, thus remarkably enhancing production efficiency. At present, the company's Chinese, Swiss, and Hong Kong partners are conficent of running the enterprise still better and are determined to fulfill step by step the goal of "fostering first-class professionals, developing first-class management, producing first-class products, and rendering first-class service." In the course of its growth, the China Schindler Lift Company has encountered many internal and external problems and has gone through twists and turns. But, thanks to the close cooperation of the Chinese and foreign partners and the support of the Chinese Governmen, the company has finally taken the correct road of development and opened a bright prospect. As I see it, the success of the China Schindler Lift Company is an epitome of all the Chinese-foreign joint ventures in China. Many other joint ventures have also encountered one kind of difficulty or another and, at the same time, achieved successes in their own way and obtained their own experience. [paragraph continues]

On the whole, most existing Chinese-foreign joint ventures have not only scored good economic results but have also helped the country ease the shortage of foreign exchange, introduced advanced technology and management expertise, developed many new products, increased foreign exchange revenue by expanding exports, found substitutes for imported goods or reduced imports, accumulated capital, fostered qualified personnel, speeded up technolgocial progress, and set good examples for other enterprises in the same trade. All these requirements are of great significance to the development of the modernization drive in our country.

In the past few years, a new situation characterized by the flourishing of China-foreign joint ventures has emerged in the wake of the expanded scope of opening up to the outside world and the constant improvement of the investment environment. In the past 6 years, the number of Chinese-foreign joint ventures has increased from several dozen to several thousand, the total amount of introduced foreign funds from merely $100 million or more to over $10 billion, and the investment scale of single enterprises from several hundred thousand dollars to hundreds of millions. This objective historical development shows the following irrefutable facts:

First, most Chinese-foreign joint ventures established in the past few years have been successful. Both the Chinese and foreign partners have benefitted from the operation and their confidence in further cooperation has been heightened.

Second, the environment for investment in China has been substantially improved compared with that in the past few years, and is still being improved.

Third, China's policy of opening to the outside world and absorbing foreign investment has been proved correct and successful. Being highly attractive, this policy has won the confidence of many foreign enterpreneurs and opened vast vistas for enterprises jointly operated by Chinese and foreign partners. In the future, foreign investment will develop in depth and breadth and on a larger scale.

Conscientiously Sum Up the Experience Obtained From Running Chinese-Foreign Joint Ventures

China has accumulated rich experience in running Chinese-foreign joint ventures in the past 6 years. At the present stage, we need to conscientiously sum up our experience. In my opinion, we must fulfill the following requirements in order to run Chinese-foreign joint ventures well:

1. It is necessary to correctly understand the nature of joint ventures and clearly define the purpose of running joint ventures. A Chinese-foreign joint venture is a Chinese corporate established on Chinese territory, of the state capitalist nature, and subject to the administration of the Chinese Government and to Chinese law. Although a joint venture obtains part of its capital from the foreign investor and is jointly operated by Chinese and foreign partners who jointly assume full responsibility for all profits and losses, it remains a Chinese enterprise which is to keep in line with China's goal of economic construction and to make its contributions to the country's modernization. Therefore, staff members of a joint venture must do a good job in their posts, having a sense of being the master of the enterprise. All our government agencies, enterprises, and cadres must cherish, support, and help Chinese-foreign joint ventures and should never discriminate against them, put obstacles in their way, treat them unfairly, or try to take advantage of them.

2. It is necessary to have a correct investment orientation and conscientiously make the feasibility study. It is necessary to carry out careful and thorough investigations, study, analysis, and comparison of the enterprise's economic results as well as the macroscopic social benefit. And, in particular, it is necessary to attach importance to the forecast of the development trend of both the domestic and international markets, make good arrangements to ensure the supply of raw materials and component parts at home, and pay great attention to the calculation of costs and prices, financial accounting, and the balance of foreign exchange income and expenses, in the hope of guaranteeing that the enterprises will score good economic results after their founding.

3. It is necessary to properly select investment partners so that all the partners will make concerted efforts to run the enterprise well. Since the partners of a joint venture are to cooperate for a long time and share the risk, it is necessary to carefully select reliable partners. All the partners must sincerely and closely cooperate with each other based on the principle of consultation on equal footing, mutual understanding, mutual trust, and mutual respect. In case of differences of opinion, they should try their best to seek common ground while reserving differences. It is necessary to hold to macro principles, but it is also necessary to take a mild attitude and adopt some flexible measures or even make a concession and compromise when necessary.

4. It is necessary to make sure that contracts are signed based on the principle of equality and mutual benefit and are in keeping with the laws and policies of China. Both signatories should supervise each other and conscientiously implement the contract. In case some provision of the contract are not clear or concrete enough, or new circumstances and problems emerge, it is necessary to make proper, fair, and reasonable arrangement through consultation based on the principle of giving consideration to each other's interests.

5. It is necessary to jointly assume responsibility for the operation and management of the enterprise and strictly implement the responsibility system for general manager under the leadership of the board of directors. It is necessary to select a person who has profound understanding of policies, strategic insight, and strong professional ability to hold the post of chairman of the board of directors, and to avoid appointment of a government official to the post. It is necessary to emulate the advanced enterprise operation and management experience of foreign countries and establish our own scientific enteprise managment regulations and system, personnel system and wages and reward systems. The enterprise shall enjoy the full power of recruiting, dismissing, and laying off staff members.

6. It is necessary to clearly define the strategy and goal of enterprise operation. We must make great efforts to introduce and develop new technology and new products, build raw material supply bases, a production coordinating system, and a marketing and service network. In this connection, we must actively train management and technological personnel, as well as ordinary workers, so as to foster qualified personnel to operate modern enterprises. We must also make efforts to assimilate advanced technology and scientific operation and management techniques, so as to practice modern enterprise management.

Run Existing Joint Ventures Well

Chinese-foreign joint ventures are the products of the policy of opening up to the outside world and the reform the economic structure. As a kind of new thing emerging in the course of development, they are bound to encounter many problems and difficulties. [paragraph continues]

It is in constantly solving contradictions and overcoming difficulties that many joint ventures have grown up in the past few years. They will continue to make progress and develop by continuing to overcome difficulties in the future.

Recently, joint ventures and foreign investors complained that they had encountered difficulties of varying degrees regarding the balance of foreign exchange income and expenses, the source of funds, the supply of raw materials, import and export, and the exercise of their decision-making power. Leading comrades of the State Council have shown great concern for this and have repeatedly instructed the relevant departments to adhere to the guideline and policies on introduction of foreign capital, abide by law, comply with signed contracts, improve enterprise management, conscientiously deal with existing problems, and help to run joint ventures well. In my opinion, in order to improve the investment environment and the production and management conditions for Chinese-foreign joint ventures, we must first of all help cadres working with relevant governments and departments at all levels to understand the important role of Chinese-foreign joint ventures. It is necessary to make everybody understand that the efficient operation of the existing joint ventures is an important strategic measure to implement the policy of opening up to the outside world and to step up our country's modernization program, a key to increasing China's attraction to foreign capital and foreign investors' confidence in the country. The relevant localities and departments must take the efficient operation of Chinese-foreign joint ventures as their own duty, place it on the agenda, and take real action to do a good job. It is necessary to pay attention to the study of the laws and regulations that have been enacted by the state and the relevant guidelines and policies promulgated by the government. Nobody should be indifferent to the enforcement of all these laws, regulations, guidelines, and policies or take any action in violation of them, but should conscientiously implement them.

Second, it is necessary to appoint a department to take charge of administration of the existing enterprises' production and operation, and to organize other relevant departments to work in coordination with this department in charge. The departments in charge of various trades at all levels must also strengthen guidance and administration over Chinese-foreign joint ventures in the trades under their jurisdiction and do their best to help solve some actual problems. We must pay special attention to checking such evil practices as arbitrarily apportioning expenses to be paid by enterprises run with foreign investment, wantonly jacking up the rate of charges, taking advantage of joint ventures, deliberately laying obstacles in their way, breaking promises, and so on. It is necessary to make everybody understand that low wages and low cost for use of land are our favorable conditions that attract foreign investors to run enterprises in our country, while unsound infrastructure, serious bureacracy, the inconvenience that one must face before getting things done, and poor efficiency are our disadvantages. If we keep the disadvantages but fail to bring our favorable conditions into play, China will lose its attraction to foreign investors and will be defeated by other countries and areas in the competition for foreign investment. Therefore, everybody must adopt an overall point of view rather than proceed in everything from local and short-term interests. Otherwise, we will suffer great losses in exchange for merely minor benefits.

Third, it is necessary to conscientiously enforce state laws, strictly comply with signed contracts, respect and safeguard foreign investors' legitimate rights and interests, and ensure that joint ventures will be able to fully exercise their decision-making power regarding enterprise operation. Although government organs at higher levels should avoid interfering in joint ventures' affairs by administrative means, they should not take an indifferent attitude either. Instead, they should take the initiative in assisting and supporting joint ventures. [paragraph continues]

Concern should be shown for, and political guidance be given to, Chinese cadres who are appointed to work with joint ventures so that they can go all out to implement the state's policy and cooperate well with foreign personnel. Thus, efficiently running enterprises.

There are many types of Chinese-foreign joint ventures engaged in various lines of production; The relations of supply, production, and marketing are rather complicated; and the natures of the existing problems vary from one to another. One of the most common and conspicuous problems now is the imbalance of foreign exchange income and expenses. This must be solved by promoting producion of raw materials and component parts at home, encouraging exports, and making arrangement for joint ventures to make up each other's shortage of foreign exchange. The relevant departments must also take the initiative in facilitating circulation of funds, supply of materials, and the simplification of import and export procedures. By and large, the efficient operation of Chinese-foreign joint ventures is a major task in implementing the policy of opening up to the outside world. This task, which is advantageous to China's economic development, cannot be accomplished by the government organ in charge or any single department alone but needs the concerted efforts, assistance, and support of all circles under the unified guidance of the principles and policies laid down by the central authorities. As long as we conscientiously implement the central authorities principles and policies and create a fine external environment and favorable production and operation conditions for Chinese-foreign joint ventures, we are bound to run these enterprises better and better with the currently available conditions.

TECHNICAL ARMS NOW MAIN PART OF PLA GROUND FORCE

OW091115 Beijing XINHUA Domestic Service in Chinese 0709 GMT 6 Sep 86

[By reporter Xu Jinyue]

[Excerpts] Shijiazhuang, 6 Sep (XINHUA) -- The Chinese PLA's Ground Force, whose main component used to be infantry, has undergone a historical change in that technical arms in specialized fields have now become its chief element. Recently, this reporter visited the first mechanized group army of the PLA and saw personally the new change in the Army's composition.

What I saw and heard on the visit was really new to me. Technical arms in various specialized fields constitute the main part of this group army. Among the soldiers, one out of every two is a technical soldier. At the same time, the percentage of infantrymen has declined. Only one out of every five is an infantryman. Since the history of this group army dates back to the time of the founding of our Army, its development can be regarded as an epitome of the process of building the PLA's Ground Force. At present this group army has become a combined force, consisting of infantry and artillery units as well as various modernized units such as an armored unit, a signal unit, an antichemical warfare unit, an engineering unit, an air defense unit, a flight unit, and an electronic confrontation unit [dian zi dui kang bu dui 7193 1311 1417 2123 6752 7130]. They specialize in some 1,200 technologies covering more than 370 fields, including laser, radar, electronic computer, and meteorological technologies. [passage omitted]

The group army is a new form of combat organization that has appeared in the structural reform of the PLA's Ground Force. It is not only capable of undertaking tactical combat tasks but can also fight in operations organized by the higher authorities or conduct independent operations. To meet these requirements, the routine training of the group army is focused on technical training and combined operations training.

Commander Li Jijun of this particular group army told me that the Central Military Commission has decided to reorganize field armies into group armies and to establish a number of mechanized group armies so as to improve the ground force's combined operations capability and raise its reaction speed. This is the current orientation in developing the Ground Force, which means that the drive to modernize our Army has entered a new stage.

YU QIULI ON IMPORTANCE OF MILITARY PROPAGANDA

OW090909 Beijing XINHUA Domestic Service in Chinese 0200 GMT 7 Sep 86

[By reporter Liu Huinian]

[Text] Beijing, 6 Sep (XINHUA) -- Speaking at a military propaganda seminar on 6 September, Yu Qiuli, member of the Political Bureau of the CPC Central Committee and director of the PLA General Political Department, stressed: Military reform must be conducive to maintaining the party's absolute leadership over the military and the PLA's proletarian nature, and to improving the PLA's combat worthiness. This fundamental orientation and nature of reform must be very clear and definite in actual work and propaganda. Our military propaganda must firmly attend to this requirement at all times.

Yu Qiuli said: Military propaganda is a major part of the party's propaganda work. Although economic construction is the focus of socialist construction today, we must continue to pay attention to military propaganda. If this job is done well, it will heighten the people's awareness of national defense and their patriotism, help them understand their armed forces, strengthen army-government and army-people unity, increase our armed forces' prestige at home and abroad, and heighten the commanders' and fighters' sense of responsibility and honor in defending and building our motherland, thus accelerating the construction of the armed forces.

Yu Qiuli said: Since the 3d Plenary Session of the 11th CPC Central Committee, expecially since Comrade Deng Xiaoping took charge of the Central Military Commission, the armed forces have undergone significant changes and noticeable progress has been made in all fields, thus providing ample resources for improving military propaganda. We must vigorously publicize the achievements of heroes and models, their communist ideals and convictions, and the new achievements in military construction and reform the armed forces have accomplished under the correct ladership of the CPC Central Committee and the Central Military Commission. While proceeding with our new assignments, we must also propagate the good traditions of the armed forces in a big way.

Yu Qiuli stressed that we must pay attention to the social effects of military propaganda. He said: Our propaganda must be creative, vivid, and lively so that the public will welcome and like it. However, creativity in propaganda, like that in other work, must be based on the four basic principles. If we fail to understand this requirement clearly, our propaganda will be ineffective, and will even deviate from the right course. Our military propaganda must adhere strictly to propaganda policy and discipline. Anything used in our military propaganda must help in boosting our armed forces, morale and encouraging our cadres and fighters to aim high; in strengthening the construction and combat-worthiness of the armed forces; and in enhancing the people's correct and comprehensive understanding of the armed forces so that army-government and army-people unity can be strengthened. It must help accelerate our socialist material and spiritual construction, and preserve the prestige of our party, state, and armed forces in the minds of the people. This is a fundamental issue that we must always attend to in military propaganda as well as in military-related literary and art creation.

Teng Teng, deputy head of the Propaganda Department of the CPC Central Committee, said: Intensifying military propaganda during the new period is very significant for promoting spiritual construction and achieving the four modernizations. Urging local propaganda departments and information units to seriously learn from the PLA, he said: The lateral ties between the armed forces and local departments should be strengthened; they should exchange information and cooperate so that military propaganda can become more effective. He added that military propaganda should be carried out in various ways, through various channels and at all levels so that the masses will understand, respect, and emulate the PLA.

The military propaganda seminar, which began on 2 September, was jointly sponsored by the Propaganda Department of the General Political Department of the PLA and the Information Bureau of the Propaganda Department of the CPC Central Committee. Attending the seminar are comrades of some propaganda and information units of the armed forces and local authorities.

SCIENCE-TECHNOLOGY 'WHITE PAPER' ISSUED

OW091810 Beijing XINHUA in English 1420 GMT 9 Sep 86

[Text] Beijing, September 9 (XINHUA) -- China's first white paper on science and technology will go on sale in stores across the country this month, a government official said today.

Wu Mingyu, vice-minister of the State Science and Technology Commission, said the book -- which assembles government policies in one volume for the first time -- will "enhance the ability of the people to oversee what the state is doing." In addition, he said, by clarifying the government's position on relevant issues, the book will "promote international cooperation in science and technology." Entitled "A Guide To China's Policies on Science and Technology," the white paper will be revised annually, according to Wu.

Wu was meeting with foreign diplomats, representatives from United Nations offices in Beijing, and foreign and Chinese reporters. An English-language version is being translated and is expected to be available soon, he said. The volume includes policy papers on 12 topics, including energy, transportation, communications and agriculture. More than 1,000 scientists and policy experts helped in its preparation, said Wu.

DENG LIQUN ATTENDS COLLEGE GRADUATION CEREMONY

OW100207 Beijing XINHUA Domestic Service in Chinese 1155 GMT 7 Sep 86

[By reporter Chen Weiping]

[Excerpt] Beijing, 7 Sep (XINHUA) -- "I swear never to forget that every man has a share of responsibility for the country's fate." This line was written by the late noted linguist Mr Wang Li for the Chinese Correspondence College of Logic and Language early this year. Today, the college held its first graduation ceremony at the Great Hall of the People. Deng Liqun, member of the Secretariat of the CPC Central Committee, and Seypidin Aze, vice chairman of the NPC Standing Committee, went to the meeting to extend their congratulations. [passage omitted]

FANG YI ATTENDS GANSU METALLURGICAL CONFERENCE

HK070243 Lanzhou Gansu Provincial Service in Mandarin 2200 GMT 6 Sep 86

[Excerpts] The 1986 conference on science and technology work for the comprehensive exploitation of the resources of Jinchuan concluded in Jinchang City on 6 September. Fang Yi, member of the Political Bureau of the CPC Central Committee and state councillor, and Gansu Governor Jia Zhijie attended and spoke. [passage omitted]

Jia Zhijie said in his speech: The experiences of the Jinchuan Nonferrous Metal Company represent an extremely precious spiritual resource. The whole province should learn and popularize them. Referring to the Jinchuan experiences, the province has in recent years regarded science and technology as an important means of speeding up economic development. We have organized the science and technology forces of the province to work together to tackle tough problems. We have solved major problems encountered in the development of Jiquan Iron and Steel Company and brought about a great change there.

Jia Zhijie said that in stepping up the construction of the nonferrous metal industry in Gansu, it is first necessary to do a good job of preparatory work such as geological prospecting. [passage omitted] Second, we must relax the policies and organize the state, the collectives, and the individuals, and the central, local, and township enterprises to get to work together. In the short term, we should focus on exploiting the gold, copper, tin, lead, and zinc resources at Tiandu, Anxi, Xihe, Lixian, Chengxian, and along the Bailong Jiang. We should gradually form two nonferrous metal exploitation areas in (?western), and southern Gansu.

Third, we should actively bring in technology, talent, equipment, and capital so as to improve our exploitation capacity. Fourth, we should promote in-depth processing. We should change the current situation of working hard and then selling our ore at low prices, and turn strong points in resources into strong points in commodities.

Comrade Fang Yi made an important speech at the meeting on 6 September. He fully endorsed the basic experiences of the Jinchuan company in relying on scientific and technological progress to improve economic results and develop production, and the outstanding achievements in the comprehensive exploitation of the resources of Jinchuan in the past 8 years. He urged the cadres, scientists, technicans, and workers of the company to make still greater efforts and advance from victory to victory.

He said: The experiences of Jinchuan have been created by the common efforts of thousands of people. Both now and in the future, Jinchuan must first persevere in its own experiences. The company will enter a new period of development during the Seventh 5-Year Plan. By about 1990, it should form a comprehensive production capacity of 40,000 tons of nickel a year. By that time the Jinchuan company will be able to turn over to the state an annual 550 million yuan in profit and tax. Its production technology will also reach international standards of the 1980's. Your prospects are encouraging. To reach this goal, it is necessary to speed up the modification of the first stage of the project, get a good grasp of building the second stage, continue to step up the comprehensive exploitation of resources, and further improve enterprise economic results.

Opens Gansu Plant

HK090215 Lanzhou Gansu Provincial Service in Mandarin 2200 GMT 8 Sep 86

[Excerpts] Work on the northwest lead and zinc refinery and the aluminum plant of the Baiyin Company started on 8 September. Fang Yi, member of the Political Bureau of the CPC Central Committee and state councillor, cut the ribbon and laid the foundation stone at both plants. [passage omitted] Governor Jia Zhijie and (Fei Ziwen), manager of the Nonferrous Metal General Company of China, unveiled commemorative plaques. Afterwards Fang Yi, (Fei Ziwen), Li Ziqi, Huang Luobin, Jia Zhijie and other leading comrades attended the ribbon-cutting ceremonies.

These two plants are key state projects under the Seventh 5-Year Plan. Advanced technology and equipment are being applied in their construction. After the first stage of the plants goes into production in 1988, they will produce 50,000 tons of lead, 100,000 tons of zinc, 150,000 tons of sulphuric acid, and 50,000 tons of aluminum ingots each year. Their annual output value can top 560 million yuan, and their annual profit can reach 130 million yuan.

The Baiyin Company was a key project of the state's first 5-year plan. In the past 32 years, the company has displayed the pioneering spirit of struggle amid arduous conditions and delivered a total of 3 billion yuan in tax and profit to the state, equivalent to 345 percent of the original state investment in the company. The company has contributed to developing China's nonferrous metallurgical industry and chemical raw materials industry.

Baiyin is also known as a copper city. In recent years, the main copper mine there has entered its final stage of exploitation. In order to further invigorate Baiyin, the company has set up two plants and embarked on a second stage of building up the business. By 1990, when all the new projects are in operation, total annual nonferrous metal output of the Baiyin Company will reach 310,000 tons. It will become a nonferrous metal production base focusing on copper, aluminum lead, zinc, and sulphur. [passage omitted]

STATE COUNCILLOR ZHANG JINGFU INSPECTS LIAONING

SK100318 Shenyang Liaoning Provincial Service in Mandarin 2100 GMT 9 Sep 86

[Text] State Councillor Zhang Jingfu, accompanied by leading comrades, including Wei Fuhai, mayor of Dalian City, inspected the northern fishing grounds on the Yellow Sea from 7 to 8 September and went to Changhai county to give instructions to the island county with regard to developing and building the island.

When commenting on developing maritime resources and building the islands, Zhang Jingfu emphatically pointed out: Efforts should be made to fully make use of maritime resources and to vigorously develop maritime production. He continued: First, we should do a good job in conducting fishing operations; second, a good job should be done in breeding aquatic products; and third, a good job should be done in processing aquatic products. Efforts should be made to build the islands into bases for engaging in aquatic production, processing aquatic products, and conducting export trade.

During his inspection tour, Zhang Jingfu also toured the island county and [words indistinct].

GUANGZHOU AWARDS 'TEN BEST PUBLIC SERVANTS'

OW091056 Beijing XINHUA in English 0751 GMT 9 Sep 86

[Text] Beijing, September 9 (XINHUA) -- The city of Guangzhou's ten best public servants, as chosen by a panel of area residents, received their rewards Monday reported the CHINA YOUTH DAILY.

For their outstanding achievement the award winners were given medals, certificates and paintings by ten famous Chinese painters.

The civil servants were rated by the residents in the capital city of south China's Guangdong Province following a campaign which began in June.

Among those commended were Xu Shijie, secretary of the Guangzhou Communist Party, Zhu Senlin, mayor of the city, Meng Weina, 33-year-old woman director of a children's welfare house, and Xu Shi, former editor-in-chief of the "GUANGZHOU EVENING NEWS", who often wrote in favor of fringe benefits for the city's workers under the pen name "Gentle Voice".

Xu Shijie, the party secretary, was the only city official to receive unanimous praise by an elected 100-member board. Board members called him "democratic" and a "person of action".

Since June 10, when the campaign to rate officials and commend the best began, all local residents were encouraged to appraise city officials from neighborhood leaders to the mayor. The appraisals were either in writing or offered at meetings from which leaders where excluded.

Some 46,000 residents participated in neighborhood public opinion polls to nominate 15 candidates for the "Best Public Servant" awards.

A panel of judges, formed by 45 college and middle school students, conducted public interviews and privately investigated the past deeds of the candidates.

Final selections were made by the 100-member board, whose members were chosen by city organizations.

The daily newspaper said this is another important campaign in the city, following a contest, "If I Were Mayor of Guangzhou", which was launched in March 1985.

That drive, aimed at encouraging residents to help improve the city services, involved thousands of people including Overseas Chinese, school teachers, students and retired workers. They all offered many suggestions on how to improve traffic, housing, education and a host of other problems.

HUNAN REPORTS SCENE AT SHAOSHAN VILLAGE

HK091205 Changsha Hunan Provincial Service in Mandarin 2200 GMT 8 Sep 86

["Newsletter" by Guo Zhen and Zhang Xinyuan: "Shaoshan Village Today"]

[Text] Ten years have passed. By relying on the party's policy on enriching the people and their hard work, people in Shaoshan have created a new life. What impresses visitors most in Shaoshan Village today are the people's smiling faces and their happy look. There are over 60 snack stalls and small shops at the concourse in front of the memorial hall of Comrade Mao Zedong's old home. Fashionably dressed girls encourage customers with their sweet voices.

When we sat at a rice flour noodles stall, a pretty girl immediately sterilized the chopsticks and bowls in boiling water and prepared rice flour noodles for us. We asked her: Where do these stall vendors come from? She replied with pride: Peasants -- we are peasants from Shaoshan. Glancing at us, the girl said with a smile: In the past we Shaoshan people treated doing business as a scandal. How foolish we were!

What was this all about? We wanted to talk with the girls, but unfortunately, some customers were coming. As we were in a hurry, we had to say goodbye to the girls and turn to cadres of the village.

The chairman of the villager's association is (Mao Yushi), a senior middle school graduate in his forties. When we asked him about peasants of Shaoshan Village doing business, he smiled. Then he gave us an overview as he talked on and on eloquently.

In the past, peasants of Shaoshan Village worried that doing business was a disgrace to Chairman Mao. In the early 1970's when the production brigade found that many visitors came to Shaoshan and there was only one state-run restaurant, and visitors thought this was inconvenient, it set up a rice flour noodles restaurant. This not only was convenient for visitors, but also made a profit of over 1,000 yuan for the brigade each month. But the higher authorities prohibited it, saying that doing business brought shame on Chairman Mao. Consequently, the rice flour noodles restaurant closed after less than 3 months. After carrying out reforms in rural areas, the government encouraged peasants to do business and other non-agricultural work.

However, some people still dared not take this road to become rich. (Tang Ruiren), former chairman of the village women's association who once had a picture taken with Chairman Mao, wept for 3 days at Chairman Mao's old home shortly after the beginning of rural reforms. When others were doing business at stalls, she still boiled two buckets of water to entertain visitors free of charge every day, just as she had done in the past. Some tried to persuade her to charge customers a little, but she said that this would be a discredit to Chairman Mao. Now (Tang Ruiren) has also changed her ideas. She said that Chairman Mao led the people in winning their liberation and also the hope that they would become rich. Charging customers for the boiled water is a reward for my labor. So she has also set up a stall to sell water, tea, beverages, and souvenirs. Now she can earn 3 to 4 yuan each day.

When telling this story, (Mao Yushi) was enraptured and exultant. He said that each person in Shaoshan Village has an average of 7 fen of rice land and the village has a surplus labor force. In the past, peasants in the village thought it was a disgrace to work elsewhere, so they dared not go out of the village and lived in poverty at home. Now they go wherever there are jobs and wherever they pay is better. In the spring of this year, five peasants from the village jointly set up a butcher shop in Guangzhou. Coming from a mountain area to a large city, they were unfamiliar with the place and people, so at first they met with difficulties. They employed two people locally. When they became familiar with the market and better informed, their business became brisk.

People in Shaoshan have profound feelings for Chairman Mao. In the past, they grieved over the loss of this great man. Now they have turned this grief into a strength for building the four modernizations.

(Mao Liankun) from Shaoshan village has been in the CPC for 33 years. With eight family members, they faced hard times in the past. Although they received subsidies and assistance from all parts, they did not become rich. Since the 3d Plenary Session of the 11th CPC Central Committee, many peasants have become rich through labor. (Mao Liankun's) enthusiasm and interest were also aroused. On 26 December last year, he and seven other peasant households raised some 8,000 yuan and set up a food factory by employing a master worker. After only 7 months, they made a net profit of more than 7,000 yuan. Now his family has brought a TV set and a motorcycle. (Mao Liankun) said: By relying on Chairman Mao, we have stood up politically. Due to the good policies formulated at the third plenary session, we have now become rich economically. If we do not work hard now, we will be unworthy of being Shaoshan people and will let Chairman Mao down.

Peasants in Shaoshan Village are now concerned about how to become rich as quickly as possible.

When (Mao Binghui) who runs a small shop at one end of the village, learned that there are few butchers in the rural areas, he became a part-time butcher. When (Mao Zeyou), who was engaged in transportation, learned that eels were selling well, he collected information about breeding eels. The annual per capita income of Shaoshan village has exceeded 500 yuan, and her per mu grain yield has reached some 1,800 jin. But they are not satisfied with this and express the hope that the relevant departments will quickly develop Shaoshan's tourism. Under the guidance of the party's policy on enriching people, they want to build a new Shashan in an earnest and down-to-earth manner.

DISCUSSION MEETING ON BEIJING'S DEVELOPMENT ENDS

SK090947 Beijing BEIJING RIBAO in Chinese 28 Aug 86 p 1

[Excerpts] A summing-up forum of the first discussion meeting on the strategies for the capital's development was held in Beijing from 21 to 23 August. After a 4-month session, the first discussin meeting on the strategies for the capital's development successfully ended. Comrade Li Ximing emphatically pointed out that this meeting had achieved good results and favorably attempted to adopt democratic and scientific methods to formulate policy decisions.

Relevant departments of the central authorities have given extremely great support and assistance to us since 22 April when the municipal party committee and the municipality sponsored the first discussion meeting on the strategies for the capital's development. Comrades of the relevant departments under the CPC Central Committee, the State Council, and the Central Military Commission; personages from all democratic parties and mass organizations; specialists and scholars from all fronts; and comrades of the districts, counties, bureaus, and general companies under the jurisdiction of the municipality put forward many valuable opinions and suggestions at the meeting. Through discussions, participants systematically understood the overall situation of the capital and the problems cropping up in the course of development, preliminarily exchanged opinions on the principles and policies on further development, concentrated the discussions on some major problems, and basically shared identical views on some problems. Such a meeting with a large number of participants and with a deep and wide range of subjects for discussions has seldom been seen in the capital's construction history.

The summing up forum was held with a view to discussing the above-mentioned issues. Attending the forum were more than 100 people, including leading comrades of the central authorities, personages from various circles, specialists and scholars. Li Ximing, secretary of the municipal party committee, delivered a speech at the meeting.

Comrade Chen Yuan, head of the leading group for studying the strategies for the capital's development, made arrangements for further studying the strategies for the capital's development. He said: After the forum, we are going to shift the emphasis of the study work to the stage of defining measures for eliminating contradictions, a stage to suit the "medicine" to the illness. The tasks in this period are very arduous and difficult. [passage omitted]

Comrade Li Ximing pointed out that in order to avoid making mistakes, to reduce the occurrence of mistakes, and to try and gain the initiative in the near future, we should make great efforts to make an overall plan for the far-reaching development of the overall situation and to formulate a strategic plan for the capital's development in keeping with the reality of the municipality. He emphatically said that we should turn the policy-making into a course of pooling the wisdom of the masses, following the mass line, providing scientific basis and system guarantee so as to make it democratic and scientific.

S. AFRICAN FOREIGN MINISTER CALLS ON OFFICIALS

OW091441 Taipei CNA in English 1415 GMT 9 Sep 86

[Text] Taipei, Sept. 9 (CNA) -- Vice President Lee Teng-hui received visiting South African Foreign Minister R.F. Botha at his office Tuesday morning.

Lee extended his welcome to the South African visitor for his visit and exchanged views with him on the international situation as well as matters of mutual concern. They also talked about the further enhancement of the cooperative ties between the two nations. In the afternoon, Botha called on Vice Premier Lin Yang-kang at the Executive Yuan.

In the evening, Premier Yu Kuo-hwa and Mrs. Yu hosted a dinner in honor of the Bothas at the Grand Hotel in Taipei. Addressing the occasion, the premier said that both the Republic of China and South Africa are fighting for democracy, peace and justice while they both live under communist threats. He said he believes the frequent exchange of visits of officials will help promote mutual understanding and cooperation between the two nations.

Botha, for his part, said after two days' stay here, he has witnessed the progress of the Republic of China in various fields. He said he hopes the friendship between the two nations will last forever.

Botha and his party arrived in Taipei Sept. 7 for an eight-day visit. They are scheduled to leave Sept. 14.

NATIONAL SECURITY LAW TO REPLACE MARTIAL LAW

OW081319 Taipei CHINA POST in English 3 Sep 86 p 12

[Text] Fundamental principles for the National Security Law, which is to replace martial law, imposed in 1949, have been drafted by a special committee appointed by the ruling Kuomintang, the Chinese-language CHINA TIMES reported yesterday.

The special task force, composed of KMT leaders, scholars and law experts, will soon submit the proposed National Security Law to a 12-member political reform group of the Central Standing Committee of the KMT, the paper said.

If approved, the National Security Law will replace martial law, it said. If there are any objections, the special committee will continue deliberations, the paper added.

Quoting unnamed sources, the paper said the proposed law will include rules governing the status of military courts, screening of publications, private possession of firearms, foreigners visiting Taiwan and local people making overseas trips.

It was at the request of the political reform group that the special committee started studying whether to lift martial law and replace it with another law governing security, the paper said.

The special committee was convened by Tung Shih-fang, deputy secretary-general of the National Security Council, and Wu Chi-fang, deputy secretary-general of the Executive Yuan, the paper said.

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HONG KONG & MACAO

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GENERAL

DELEGATE ADDRESSES BIOLOGICAL WARFARE CONFERENCE

OW101941 Beijing XINHUA in English 1750 GMT 10 Sep 86

[Text] Geneva, September 10 (XINHUA) -- "The convention on the prohibition of biological weapons should be observed and further strengthened," a Chinese representative told an international meeting here today.

Speaking at the second conference to review the convention banning biological weapons, head of the Chinese delegation Fan Quoxiang said the convention should also facilitate the early conclusion of a convention banning chemical weapons.

Biological weapons are "extremely cruel and inhuman", Fan said, "Their prohibition, therefore, conforms to the general desire and interest of the people throughout the world."

The convention on the prohibition of biological weapons, drafted in 1972, is now observed by 103 countries. It urges nations not to develop and stockpile biological weapons.

The Chinese representative said implementing the convention "lends support to all peace-loving countries and peoples in their opposition to the use of biological weapons in aggression," and they "contribute to the maintenance of world peace and international security." He pointed out problems, such as effective monitoring and verification measures in exercising the convention, that need to be resolved through international consultation.

He said, "China was once a victim to biological weapons." "China has always opposed the development, production and use of biological weapons," he added. "China attaches great importance to the use of bio-technology for peaceful purposes and for solving problems relating to medicine, health and economic construction in China to the benefit of the Chinese people as well as the people all over the world," the head of the Chinese delegation said.

REN JIANXIN FETES WORLD COURT JUDGES 10 SEP

OW101934 Beijing XINHUA in English 1551 GMT 10 Sep 86

[Text] Beijing, September 10 (XINHUA) -- China hopes to increase contacts, and promote understanding and friendship between the country and the International Court of Justice, said Ren Jianxin, vice-president of the Supreme People's Court here today.

Ren made this remark during a banquet held in honor of Nagendra Singh, president of the International Court of Justice, from India; Keba Mbaye from Senegal and Ni Zhengyu from China, judges of the court this evening.

Since Professor Ni Nhengyu was elected a judge of the International Court of Justice in 1984, Ren said, China's relationship with the World Court has become much closer.

The present visit of President Singh and Judge Mbaye has established a direct friendly relationship between China and the World Court, he added.

He said that China is willing to learn from the experience of other countries in the judicial field, including the useful experience of the international court in handling legal cases and providing consultation services.

President Singh said that judges of the International Court of Justice have been deeply impressed by the importance China attaches to the role of law and that they appreciate China's support for the international court.

BEIJING UNIVERSITY AWARDS WORLD COURT PRESIDENT

OW101925 Beijing XINHUA in English 1524 GMT 10 Sep 86

[Text] Beijing, September 10 (XINHUA) -- Beijing University conferred honorary doctoral degree upon Nagendra Singh, of Indian nationality, president of the International Court of Justice, here today.

President of the University Ding Shisun said at the ceremony that since taking the post of court president in 1985 Singh, by adhering to principles and upholding justice, has made outstanding contributions to solving international disputes through peaceful means.

Singh said by conferring the honor on him the University has showered personal distinction of highest merit on him, a distinction conferred on an Indian of which he is proud.

The recognition to the world court of law shown by Beijing University, one of the most ancient universities of the world, is a good omen for the role of law, respect for the judicial process and for the development of international peace, Singh said. China stands today for peace and prosperity among nations and peoples of the world, he added.

The ceremony was held at the University and attended by law workers, teachers and students from local universities and institutes.

DENG XIAOPING MEETS U.S. PROFESSORS 11 SEP

OW110734 Beijing XINHUA in English 0729 GMT 11 Sep 86

[Text] Beijing, September 11 (XINHUA) — Deng Xiaoping, chairman of the Chinese Communist Party Central Advisory Commission, met here today Professor C.S. Wu of the Department of Physics of Columbia University and Professor C.L. Yuan of the Brookhaven National Laboratory of the United States.

Deng hosted a luncheon for the visitors after the meeting. The two U.S. professors are here as guests of the Chinese Academy of Sciences.

RENMIN RIBAO ON U.S. NICARAGUAN POLICY

HK291005 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 29 Aug 86 p 6

["World Affairs" column by Liu Ban: "Not a Superfluous Thought"]

[Text] It was reported that during his visit to Yugoslavia, Nicaraguan President Ortega said that the United States has not only provided Nicaraguan antigovernment elements with a large amount of aid, but has also sent military advisers to help them. The United States has never revealed any details about the "advisers," but from the latest issue of THE NEW YORK TIMES, we can see that the media has begun to take note of this matter.

THE NEW YORK TIMES says that this report cannot but make people "recall past events." This refers to the Vietnamese war. The article reviews the process of how the United States gradually sank into the mire of war by starting to sent "advisers" to train the South Vietnamese Army in 1954 and increasing the number of "advisers" to 12,000 by 1962. The outcome of the war is known to all. Like a horrible dream, its effect on the United States remains to this day. THE NEW YORK TIMES has associated sending "advisers" with the Vietnam war. This is by no means oversensitive.

Let us have a look at the "progress" of the U.S. Nicaraguan policy. Beginning in 1982, the United States has secretly instigated the antigovernment forces in Nicaragua through the efforts of the CIA. But since the inside story of the "secret war" was disclosed, it has openly allocated funds to provide the antigovernment elements with so-called humanitarian aid. Recently, Congress even approved a huge amount of "military aid" and "nonmilitary aid" totalling $100 million. The resolve of the White House to get rid of the current Nicaraguan Government is thus thoroughly exposed.

The policy of aggression adopted by the United States toward Nicaragua has intensified the situation of Central America. People of the world, including some people in the United States, have become worried about this policy and are opposed to it. THE NEW YORK TIMES article is entitled "Follow the Same Course." This gives much food for thought. Lessons should be drawn from the war of aggression in Vietnam. At least, it shows that the article does not agree with what the Reagan administration is now doing.

REPORTAGE ON USSR'S TALYZIN IN BEIJING

Talks With Zhao Ziyang

OW101342 Beijing XINHUA in English 1331 GMT 10 Sep 86

[Text] Beijing, September 10 (XINHUA) -- Chinese Premier Zhao Ziyang said here today that expanding trade and economic and technological cooperation between China and the Soviet Union, on the basis of equality and mutual benefit, accords with the interests of both sides.

During a meeting with Nikolay Vladimirovich Talyzin, first vice-chairman of the Council of Ministers and chairman of the State Planning Commission of the Soviet Union, Zhao said that the two countries have a lot to do in expanding various kinds of economic and technological cooperation.

He described as "not bad" the results of the talks held between Talyzin and Chinese Vice-Premier Yao Yilin, during which the two sides had discussed ways of expanding economic and technological cooperation between the two countries. Zhao said briefed the visitors on China's economic restructruing.

Zhao said China hopes to establish good-neighborly relations with the Soviet Union. Such relations between the two big countries are in the interests of their peoples and beneficial to the world situation as a whole, he added. Over the last two years, he said, the two countries' ties in the economic, trade, scientific, technological and cultural fields have expanded.

However, he added, no substantial progress has been made in their political relations because of the obstacles existing in Sino-Soviet relations. He said he hoped the Soviet side will do something worthwhile in this respect.

Talyzin said he hoped Soviet-Chinese relations will improve further and the scale of bilateral trade and economic and technological cooperation will keep expanding. Earlier today, Chinese Vice-Premier Li Peng met Talyzin.

In the evening, Soviet Ambassador to China O.A. Troyanovskiy gave a banquet on the occasion of Talyzin's China visit. Chinese Vice-Premier Yao Yilin and State Councillor Song Ping were among those present at the banquet.

Leaves for Wuhan

OW110950 Beijing XINHUA in English 0942 GMT 11 Sep 86

[Text] Beijing, September 11 (XINHUA) -- Nikolay Vladimirovich Talyzin, first vice-chairman of the Council of Ministers and chairman of the State Planning Commission of the Soviet Union, wound up his visit here and left for Wuhan this afternoon.

Talyzin and his party will also visit Guangzhou and Shenyang, and then turn back home. Vice-Premier Yao Yilin went to the state guesthouse to see him off.

KYODO: CITES RENMIN RIBAO ON JAPAN'S SDI DECISION

OW110319 Tokyo KYODO in English 0810 GMT 11 Sep 86

[Text] Beijing, Sept 11 KYODO -- China's Communist Party paper PEOPLE'S DAILY Thursday reported Japan's decision to formally join the research phase of Strategic Defense Initiative (SDI) of the United States with an implied critical view by quoting a Soviet news paper and Japanese anti-SDI opinions.

The newspaper carried an article with the lead, "Soviet paper criticizes Japan's decision for breakaway from non-nuclear three principles," but reserved comment.

The daily, representing China's official opinions, quoted the Soviet Government paper IZVESTIYA's critical comments on Japan's SDI participation, which said "by the decision, the Japanese Government turned its non-nuclear policy, anti-warfare export policy, and declaration of peaceful development and use of the space all into paper scraps."

The article also included the opinions of three Japanese opposition parties, the Socialists, Komeito, and Communists, and scientists who are against SDI participation. They said the decision is a violation of Japan's 1969 Diet resolution to peacefully utilize space and will further accelerate nuclear arms race.

The Japanese Government officially announced its participation in the SDI Tuesday.

FURTHER COMMENT ON DISMISSAL OF JAPAN'S FUJIO

HK101103 Hong Kong RENMIN RIBAO OVERSEAS EDITION in Chinese 10 Sep 86 p 6

["Short commentary: "The Trend of the Times Is Irresistible"]

[Text] Less than 2 months after assuming the post of Japan's education minister, Masayuki Fujio was dismissed by Prime Minister Yasuhiro Nakasone. It is very rare in the modern history of Japanese politics for the term of office of a minister to be so short. In particular, instead of "resigning of his own accord," which would have saved face, he was simply fired. The reason that Mr Fujio came to this end is because during his term of office, he repeatedly spoke a lot of nonsense. He embellished in various ways the wars of aggression and tried his best to call back and to reverse the verdict on the spirit of the dead militarism. This has, of course, aroused general grievances and public indignation in Japan as well as in some countries in the Asia-Pacific region.

Taking into consideration the importance of maintaining friendly relations with neighboring countries, the Japanese Government eventually took this measure. Everyone affirms this measure. The people and public, including many men of insight, in Japan have seriously criticized the mistakes in Fujio's statements. Mr Fujio has now been fired, but the erroneous statements and actions on which he stubbornly insists are by no means an independent and accidental phenomenon. Rather, they reflect a certain kind of thinking -- an adverse current that goes against the trend of the times and Sino-Japanese friendship. For a considerable time in the future, this current may reappear in different forms at one time and be hidden at another. Though it will not become a general tendency, the people should keep a sober mind and guard against it.

Since the normalization of Sino-Japanese diplomatic relations, the two countries have made great progress in maintaining good and friendly relations with neighboring countries on the basis of carrying forward the traditional friendship and correctly drawing lessons from history. The peaceful and friendly relations between the two countries have reflected the basic interests and shared aspirations of the two nations. They also conform to the trend of the times, which is marked by peace and development. However, there is a small group of people in Japan who goes against the times and the aspirations of the two countries. On many occasions they have interfered in and undermined the Sino-Japanese general orientation of maintaining good and friendly relations. Though they are few in number, they cause very bad results. Not only have they undermined Japan's relations with neighboring countries, but also Japan's international image. Therefore, the peoples of China and Japan have understood that under no circumstances must they let this dangerous thinking and adverse current gain the upper hand.

Compared to the situation some 50 years ago, times have changed, as have China and Japan. The trend of the times is irresistible. We are full of confidence in the future of Sino-Japanese relations. Provided that the two governments and peoples strictly act in the spirit of the Sino-Japanese joint declaration and the Sino-Japanese peace treaty and seriously carry out the four principles of "peace and friendship, equality and mutual benefit, mutual trust, and long-standing stability," the friendly relations between the two neighboring countries will develop in a healthy and smooth way and will move toward the goal of further improving the friendship in the 21st century.

WEN WEI PO CRITICIZES 'JAPANESE RIGHTISTS'

HK101202 Hong Kong WEN WEI PO in Chinese 10 Sep 86 p 2

[Editorial: "Japanese Rightists Play Up 'Two Chinas'"]

[Text] Sponsored by former Japanese Prime Minister Nobusuke Kishi and former Lower House President Hirokichi Nadao, the "Society To Praise Generalissimo Chiang Kai-shek's Magnanimity" with Education Minister Masayuki Fujio as head of its executive committee, carried out activities on 4 September to preach "two Chinas." They openly invited representatives from the government of the "Republic of China" to deliver speeches and asserted that the "Association of East Asian Relations" is a "diplomatic organ" of the "Republic of China" in Japan. They also raised the national flags of Japan and the "Republic of China" at the meeting-place.

It is quite unusual for several dozen ruling Liberal Democratic Party members to join activities organized by Japanese rightists. This runs diametrically opposite to the stand of the Japanese Government which recognizes only one China and claims to further develop Sino-Japanese friendship.

Some people in Japan said: "As these are non-governmental activities, the Japanese Government cannot meddle in them." This explanation is unsatisfactory. Education Minister Masayuki Fujio is a member of the Japanese Cabinet. However, he brazenly wrote an article for a newspaper saying: "I cannot agree with the shallow view of abandoning free China and recognizing the PRC as the representative of China."

There must be something behind the undisguised preaching of "two Chinas" by certain rightists in Japan. As a result of the vigorous development of Japan's economic strength in recent years, some rightists have clamored that Japan should become a political power, remove the title of vanquished nation, and make an "overall postwar review." [paragraph continues]

In the "textbook revision" incident, Education Minister Masayuki Fujio delivered speeches on many occasions to cover up the aggressive crimes of the Japanese militarists. The focus of the activity to "Praise Chiang Kai-shek's Magnanimity" is to commemorate Chiang Kai-shek for "safeguarding Japan's position" and "maintaining the Mikado system" and to cherish the memory of "Sino-Japanese relations over the century."

Taiwan was actually a Japanese colony during the century. Following Taiwan's return to China after the war, the rightists in Japan did not resign themselves to defeat. They preach "two Chinas" today in an attempt to revive their old dreams. The wishful thinking of these rightists in plotting the "two Chinas" conspiracy is to hinder the progress of Taiwan's reunification with the mainland. Consequently, the Japanese rightists may expand their spheres of influence in Taiwan economically and politically.

The undisguised preaching of "two Chinas" does not conform to the trend of Sino-Japanese friendship and the will of the Japanese people. Over the past few days, a number of Japanese organizations have criticized the activities organized by the rightists.

We believe that Sino-Japanese friendship should develop on the basis of non-interference in each other's internal affairs and mutual respect for sovereignty. To this end, the Japanese side should restrain the activities organized by members of the cabinet and ruling party that preach "two Chinas," and do positive work to develop Sino-Japanese relations. Because Fujio's statements and articles defending Japanese militarists have aroused the indignation of South Korea and other Asian countries, and also evoked criticism from the Japanese media, Nakasone expelled Fujio from office. This is a wise decision that accords with the will of the people.

We also hope that the Taiwan authorities will put the righteous cause of the nation in first place. Those who have preached "two Chinas" and "revision of textbooks," and "paid respects to war criminals" are actually the die-hard elements like Fujio who cherish the dream of a "Great East Asian Co-Prosperity Sphere." These people will do no good for Taiwan or the Chinese nation. Will Taiwan's image not be damaged if it carries on intimately with these people? Will it not lose the support of the Chinese compatriots residing abroad? Taiwan should adopt a prudent policy and never be deceived by the fine-sounding words of Fujio and his followers which may adversely affect Taiwan's long-term interests.

WANG ZHEN MEETS JAPANESE NEWSPAPER DELEGATION

OW101938 Beijing XINHUA in English 1558 GMT 10 Sep 86

[Text] Beijing, September 10 (XINHUA) -- Wang Zhen, vice-chairman of the Central Advisory Commission of the Chinese Community Party, met a delegation from the "CHUNICHI SIMBUN," Japan's biggest regional newspaper, led by its deputy director Ichie Yamada here today. Wang answered questions raised by the Japanese visitors on Sino-Japanese relations and China's modernization program.

SHANGHAI MAYOR MEETS JAPANESE FINANCIAL GROUP

OW100357 Shanghai City Service in Mandarin 0000 GMT 7 Sep 86

[Text] Mayor Jiang Zemin met a visiting group from Japan's Kansai financial circles on the afternoon of 6 September at the (Pujiang) Auditorium. He said that Japanese businessmen are welcome to invest in building plants in Shanghai.

SIHANOUK HOLDS PRESS CONFERENCE, NOTES SUPPORT

PRC Promises Military Aid

OW110831 Beijing XINHUA in English 0810 GMT 11 Sep 86

[Text] Beijing, September 11 (XINHUA) -- Prince Samdech Norodom Sihanouk, president of Democratic Kampuchea, said here today China has promised military and material aid to Democratic Kampuchea.

At a news conference at his Beijing residence, Sihanouk said the aid would include modern weapons, medicine, food and fund for each of Kampuchea's three factions fighting Vietnamese aggressors in their country.

He called China's support a source of "great satisfaction," saying that the aid "is more than enough for the continuous struggle against Vietnam's aggression," and that his army and people would be encouraged by the support.

Sihanouk said the situation on the battlefield has been favorable. "Vietnamese authorities are trying to Vietnamize Kampuchea," he said, "But they are facing defections."

Increasing numbers of soldiers for the Vietnam-backed Heng Samrin regime have refused to fight against Democratic Kampuchean forces, according to Sihanouk, and some have joined the Democratic Kampuchean forces against the Vietnamese troops.

Responding to a reporter's question at the news conference, Khieu Samphan, vice-president of Democratic Kampuchea for foreign affairs, told the news conference "there were indeed disputes among the three partriotic forces in the past, but the situation has improved and we are uniting in the common struggle against the Vietnamese aggressors."

Sihanouk told the reporters the "patriotic forces are well organized, disciplined and in high spirits. Their fight is effective because of all them know they are fighting for themselves."

He said they are "capable of going deeper and deeper" into Kampuchea "to fight the Vietnamese aggression and win the final victory."

Sihanouk said the three parties in the coalition government will continue to strive for unity. He said victory would be followed by a general election under United Nations supervision and "even there I shall represent not my party alone but the three parties" of the coalition government.

At the two-hour press conference, Sihanouk also answered reporters' questions concerning the impact of Sino-Soviet and Sino-Vietnamese relations on the solution of the Kampuchean question as well as on the support of the Southeast Asian countries to the just struggles of Democratic Kampuchea.

Deng To Pressure USSR

OW111215 Tokyo KYODO in English 1205 GMT 11 Sep 86

[Text] Beijing, Sept 11 KYODO -- The president of Democratic Kampuchea, Prince Norodom Sihanouk, said here Thursday that China has promised to give military and financial aid to his forces which are battling an occupation Vietnamese Army.

Sihanouk, now visiting China, said in a press conference that China will give each of three Kampuchean anti-Vietnamese factions 270,000 dollars in financial aid, as well as weapons aid which he said varied according to the military power of the factions, with the largest Khmer Rouge group even receiving tanks.

Sihanouk also said that strongman Deng Xiaoping told him China would put a series of pressures on the Soviet Union to persuade Vietnam to withdraw its troops from Kampuchea.

The royal president, in China with a Kampuchean delegation which includes his wife, Vice President Khieu Samphan and Prime Minister Son Sann, also told reporters that he welcomes Deng's statement in an interview with CBS of the United States that Deng would meet Soviet leader Mikhail Gorbachev if the Soviet Union would persuade Vietnam to pull its troops out of Kampuchea.

Sihanouk stressed that China has come to be firmly involved in the Kampuchean issues, saying that Deng's statement shows that China considers itself and the Soviet Union indispensable elements in solving the issue.

CGDK ISSUES COUNCIL OF MINISTERS' DECLARATION

OW101144 Beijing XINHUA in English 1120 GMT 10 Sep 86

[Text] Beijing, September 10 (XINHUA) -- The Coalition Government of Democratic Kampuchea issued a declaration after a one-day meeting of its Council of Ministers here today. The following is the full text of the declaration.

On 10 September 1986 was held a meeting of the Council of Ministers of the Coalition Government of Democratic Kampuchea (CGDK) under the high chairmanship of His Royal Highness Samdech Norodom Sihanouk, president of Democratic Kampuchea, with the participation of His Excellency Son Sann, prime minister, and his Excellency Khieu Samphan, vice-president of Democratic Kampuchea in charge of foreign affairs, and other ministers of the CDGK. The meeting of the Council of Ministers proceeded in a warm and cordial atmosphere of solidarity, unity and optimism.

1. The Council of Ministers noted with great satisfaction the excellent results of the official friendly visit of the delegation of Democratic Kampuchea, led by Samdech Norodom Sihanouk, president of Democratic Kampuchea, with His Excellency Prime Minister Son Sann and His Excellency Vice-President Khieu Samphan, as deputy-heads of the delegation, to the People's Republic of China from 6 to 10 September 1986.

The Council of Ministers of the CGDK would like to express once again its most profound gratitude to the Chinese Government and people for their noble and constant support to the just struggle of the people of Kampuchea for national independence and survival.

The Council of Ministers noted with deep satisfaction and gratitude the recent clear-cut reaffirmation of the Chinese stance by Chairman Deng Xiaoping and the government of the People's Republic of China that:

-The Sino-Soviet relations cannot be improved and normalized, as long as the Soviet Union continues to support Vietnam in its war of aggression and occupation of Kampuchea.

-The Sino-Vietnamese relations cannot be normalized as long as Vietnam refuses to withdraw all its troops from Kampuchea.

This statement unmasks the perfidious manoeuvers carried out by Vietnam and the Soviet Union which pretend that they are willing to establish good relations with the People's Republic of China and other countries in Asia, Southeast Asia and the Pacific, while their real purpose is none other than to divert the world opinion from the problem of Kampuchea, so that they could continue to occupy quietly Kampuchea for ever.

This reaffirmation constitutes a great encouragement for the people of Kampuchea in their valiant and dogged struggle against the Vietnamese aggressors under the leadership of the CGDK. It is also an encouragement for most of the Third World countries which always care very much about their national security and stability.

2. At present, having been driven to the wall by the CGDK's 8-point peace proposal which enjoys worldwide support from the international community, Vietnam and the Soviet Union have resorted to deception by waving false peace banner in order to bury the Kampuchean problem caused by the Vietnamese aggression against Kampuchea. By brandishing such a false peace banner, Vietnam and the Soviet Union aim at continuing to occupy Kampuchea in accordance with the Vietnamese strategy of "Indochinese federation" and consolidate the strategic positions of the Soviet Union in Cam Rang, Danang, Kompong Som, Ream and so forth, with a view to extending the Soviet control over the South China Sea and impose the Soviet domination over the whole Southeast Asia region.

The Council of Ministers would like to reiterate its deep gratitude to the peace loving countries the world over who have denounced these Soviet-Vietnamese misleading peace manoeuvers and call on them to keep on doing so in the future.

3. The Council of Ministers of the CGDK reaffirms once more that the political settlement of the Kampuchean problem must be solved only on the basis of the ICK Declaration, the relevant U.N. General Assembly resolutions on Kampuchea and the 8-point peace proposal of the CGDK.

4. The Council of Ministers of the CGDK would like to extend once again its most profound gratitude to the ASEAN countries for their noble and constant support to the just struggle of the Kampuchean people.

On this particular occasion, the Council of Ministers wishes to express its deep thanks to these ASEAN countries, members of the Non-aligned Movement and other non-aligned countries, for their efforts at the summit of the non-aligned countries in Harare and their call for the withdrawal of the Vietnamese troops of aggression from Kampuchea and for their action in favor of the adoption of a resolution reaffirming the Kampuchean people's rights of self-determination.

The CGDK would like to appeal to the international community and the United Nations to keep on condemning and denouncing the Vietnamese aggression against Kampuchea and press for the Vietnamese withdrawal from Kampuchea.

5. The Council of Ministers launches a solemn appeal to those East European countries who have supported the Vietnamese war of aggression against Kampuchea to stop providing any more assistance to Vietnam.

By so doing, they would not only render justice to the innocent people of Kampuchea, but at the same time, they would win respect and admiration from the world opinion.

6. The situation under review shows clearly that the international forces supporting the Kampuchean people in their struggle against the Vietnamese agressors have grown stronger and stronger. This situation will give a new impetus to the Kampuchean people's sturggle under the leadership of the CGDK.

The Council of Ministers is determined to strive for further strengthening their solidarity and cooperation in the military, political and diplomatic fields, and to pursue our struggle until the Hanoi authorities accept to negotiate a political settlement of the problem of Kampuchea, on the basis of the CGDK's 8-point peace proposal.

7. After the liberation of Kampuchea, all the three parties are determined to remain united within the great national union and national reconciliation among all Kampucheans, with Samdech Norodom Sihanouk as president, and devote themselves to the national development and the defence of Kampuchea as an independent, united, peaceful, neutral and non-aligned country in the framework of a liberal democratic regime, as enshrined in the CGDK's 8-point peace proposal, which has become from now on our national charter.

On this solemn occasion. H.E. Khieu Samphan, in his capacity as president of the party of Democratic Kampuchea. declared once again before the nation and people of Kampuchea and the world that the party of Democratic Kampuchea, at present as well as in the future, is resolutely committed to uphold the great national union as it is stated in our 8-point national charter.

Beijing, 10 September 1986

Norodom Sihanouk, president of Democratic Kampuchea (signed); Son Sann, prime minister of the Coalition Government of Democratic Kampuchea (signed); Khieu Samphan, vice-president of Democratic Kampuchea in charge of foreign affairs (signed)

LI XIANNIAN CONGRATULATES KOREAN CONFERENCE

HK100825 Bejing RENMIN RIBAO in Chinese 7 Sep 86 p 1

[XINHUA report: "President Li Xiannian Sends Message of Greetings on Opening of International Conference for Denuclearization and Peace in the Korean Peninsula"]

[Text] On 6 September, PRC President Li Xiannian sent a message of greetings to the Pyongyang International Conference for Denuclearization and Peace in the Korean peninsula, congratulating the opening of the conference. The full text of the message follows:

Dear International Conference for Denuclearization and Peace on the Korean Peninsula.

On the occasion of the opening of the International Conference for Denuclearization and Peace on the Korean Peninsula, I, on behalf of the People's Republic of China and the Chinese people, extend warm congratulations to the conference.

Being a sincere friend of the Korean people, the Chinese people are always deeply concerned about peace and stability in the Korean peninsula. It is an absolutely correct stand that the Korean Government and people urge the United States to withdraw all of its troops and nuclear weapons from South Korea, and to establish a nuclear-free and peaceful zone in the Korean peninsula. This stand reflects the aspirations and basic interests of the Korean people as a whole, which is favorable to realizing an independent and peacefully reunified Korea, and helps maintain peace in the Asia-Pacific region as well as in the world.

The Chinese Government and people always support the Korean people's sacred cause of achieving independence and peaceful reunification of the fatherland, while opposing all acts that intensify the tenseness of the situation in Korean peninsula. We support the establishment of a nuclear-free and peaceful zone in the Korean peninsula, as well as all other proposals that help maintain peace and stability in the Korean peninsula. We hope that Korea's North-South dialogue will be carried on and will make progress. We also hope that a tripartite conference between North Korea, South Korea and the United States will be realized.

Wishing the conference every success.

President of the PRC

Li Xiannian

6 September 1986

Beijing

WAN LI MEETS AUSTRALIA'S NEW SOUTH WALES PREMIER

OW101424 Beijing XINHUA in English 1409 GMT 10 Sep 86

[Text] Sydney, September 10 (XINHUA) -- Visiting Chinese Vice-Premier Wan Li today called on the premier of the State of New South Wales Barrie Unsworth at the state government building. They had very friendly conversations.

During their meeting, Unsworth and Wan Li reviewed the development of economic and trade relations between China and New South Wales, and exchanged views on how to further strengthen the friendly relations of cooperation.

Wan Li and his entourage visited the Sydney harbor after the talk. They also visited the grain handling authority of New South Wales and the container terminal as well as the wheat shipping wharf which has a storage capacity of 151,600 tonnes, and the computerized Sydney traffic control centre. In the evening, Wan Li and his party attended a warm reception given by the Chinese overseas community in Sydney.

HAO JIANXIU DELEGATION LEAVES NEW ZEALAND 10 SEP

OW100856 Beijing XINHUA in English 0706 GMT 10 Sep 86

[Text] Auckland, September 10 (XINHUA) -- The delegation of the Communist Party of China (CPC) was deeply impressed by the efforts of New Zealand's Labor government in developing national economy and safeguarding world peace.

Hao Jianxiu, leader of the Chinese delegation and member of the Secretariat of the Central Committee of the CPC, made the remark at the end of her visit to New Zealand today.

She told XINHUA that mutual visits of delegations sent by CPC and the N.Z. Labor Party have created better conditions for friendship and cooperation between the two countries and people. The friendly cooperation between the two countries have broad prospects, she added.

After attending the 70th anniversary conference of the Labor Party the CPC delegation visited a number of cities and exchanged views with local leaders of Labor Party and people from all walks of life.

Maori people on September 6 held a traditional ceremony in Tarawere City to welcome the CPC delegation. Internal Minister Peter Tapsell introduced the history and daily life of the Maori people, living in New Zealand since before the arrival of European settlers.

A farewell dinner was given here yesterday evening by President Margaret Willson of Labor Party in honor of the delegation. Executive members and local leaders of Labor Party attended the dinner. The Chinese delegation arrived in New Zealand on August 28 and left here this morning for Australia.

PRC TO ATTEND AUSTRALIA'S BICENTENNIAL EVENT

OW100634 Beijing XINHUA in English 0555 GMT 10 Sep 86

[Text] Canberra, September 10 (XINHUA) -- Australia's bicentennial celebration is actively under preparation. The year of 1988, which marks two hundred years since the beginning of settlement to Australia, has been designated as year of national celebration.

As part of the celebration, "Expo 88" will be held in Brisbane, capital city of the eastern state of Queensland, for six months from April 1988.

18 countries including neighboring New Zealand, Fiji and Papua New Guinea as well as China, Britain, and the U.S., have already accepted the invitation to attend the event.

At the first international planning meeting in Brisbane which was attended by delegates from 38 nations, Prime Minister Robert Hawke said Tuesday that the theme of "Expo 88" is "leisure in the age of technology."

It means more than transient impressions of a hi-tech future and the leisure it would make possible, he noted. He said that the exhibitors will not sell their goods or services at the function which will be a show case for the world's industrial, technological and cultural achievements.

The prime minister expressed the hope that more overseas friends of Australia will join the events.

ZHAO ZIYANG RECEIVES NEW VANUATU AMBASSADOR

OW082147 Beijing XINHUA in English 1416 GMT 8 Sep 86

[Text] Beijing, September 8 (XINHUA) -- Premier Zhao Ziyang met Nite Vurobaravu, new ambassador of the Republic of Vanuatu to China, here today.

The Republic of Vanuatu is an island country in the south-west Pacific. It established diplomatic relations with China in 1982.

FINLAND'S SORSA PREVIEWS UPCOMING VISIT TO PRC

OW101250 Beijing XINHUA in English 1151 GMT 10 Sep 86

[Text] Helsinki, September 10 (XINHUA) -- Finnish Prime Minister Kalevi Sorsa has called for the further development of political and trade relations with China.

The prime minister made the remarks in an interview last Friday with a group of Chinese correspondents about his official visit to China, from September 14-19. This is the first visit ever made by a Finnish Prime Minister since the establishment of diplomatic relations between the two countries in 1950.

Sorsa said, "I am very happy to have accepted Premier Zhao Ziyang's invitation as the first Finnish Prime Minister to visit China." He expressed his satisfaction over the positive development of bilateral relations in recent years. Trade between Finland and China reached a record level in 1985.

Finland's total exports to China in 1985 reached 548 million markkas (about 102 million U.S. dollars) and its total imports from China 216 million markkas (about 40 million U.S. dollars). China has become one of Finland's largest trading partners.

It is very important to increase Finnish-Chinese trade on a barter basis, Sorsa said, adding that Finland will work to increase its imports from China to promote a trade balance.

Finnish industry and commercial representatives will accompany Sorsa to China. They are anxious to increase their understanding of Chinese products, Sorsa said.

Finland has just received the first shipment of Chinese coal. If it turns out to be a success, Sorsa said, bilateral trade can be increased significantly.

The two countries should also strengthen any form of economic and industiral cooperation, especially in the fields of mining, exploitation of energy, fertilizer technology and forest industry, Sorsa said.

"I hope that an agreement on science and technology, which I am going to sign during my China visit, will produce good results," he said. Sorsa expressed the hope that political, economic and cultural ties between Finland and China will be further developed and new areas of cooperation will be found.

To develop tourism, Sorsa suggested that Finland and China open a direct air link between Helsinki and Beijing as soon as possible. "It will bring us still closer," he added.

On international issues, the Finnish prime minister said the international situation is beginning to show signs of positive development after years at a low ebb.

"We hope the second U.S.-Soviet summit talks will be held and bear fruits," he said.

Both the United States and the Soviet Union showed flexibility at the Geneva and Stockholm disarmament conferences, he said, adding that he hoped these good signs would be turned into concrete agreements.

He stressed that all countries have the right and obligation to work for the promotion of world peace although the big powers are responsible in the first place for world disarmament, particularly the reduction and eradication of nuclear weapons.

On Finland's foreign policy, Sorsa said, "Finland pursues a policy of neutrality. Our foreign policy is to maintain a good and trustworthy relationship with all nations in the world, neighboring countries in particular. We remain out of big power conflicts and make great efforts to promote peaceful international development and cooperation."

On relations with developing countries, he said that Finland seeks to develop relations with these countries. Finland and other Nordic countries provide aid to the Frontline States in southern Africa.

The prime minister stressed that all Nordic countries condemn South Africa's apartheid policy and expect a UN resolution to impose sanctions against the Pretoria regime. The Nordic countries are likely to boycott trade with South Africa, he added.

ARMY DELEGATION CONCLUDES VISIT TO ROME

OW110408 Beijing XINHUA in English 0139 GMT 11 Sep 86

[Text] Rome, September 10 (XINHUA) -- Chinese Defense Minister Zhang Aiping gave a banquet here tonight in honor of his Italian counterpart, Giovanni Spandolini, thanking Italy for its hospitality during the Chinese defense delegation's stay in Rome.

Zhang, who is also a Chinese state councillor, said his visit to Italy will promote friendship and cooperations between the armies of the two countries.

Spandolini praised China for the important role it plays in maintaining world peace.

Zhang and his delegation continue their tour of Italy tomorrow.

ZHENG TUOBIN MEETS FRG ECONOMICS OFFICIAL

OW100508 Beijing XINHUA in English 0119 GMT 10 Sep 86

[Text] Beijing, September 10 (XINHUA) -- Zheng Tuobin, minister of foreign economic relations and trade, met with Dr. Volkmar Koehler, parliamentary secretary of the Ministry for Economic Cooperation of the Federal Republic of Germany, here this morning.

Since their arrival September 4, Koehler and his party have exchanged views on bilateral economic and technical cooperation with leading members of Ministry of Foreign Economic Relations and Trade, the State Planning Commission, the State Economic Commission and the State Commission for Restructuring the Economy.

RENMIN RIBAO ON E. EUROPEAN ECONOMIC THEORY

HK110115 Beijing RENMIN RIBAO in Chinese 5 Sep 86 p 7

[Report by Du Defeng: "Theoretical Studies Promote Economic Reform in Yugoslavia, Romania, Hungary, Poland, and Bulgaria" -- capitalized passages printed in boldface]

[Text] The theoretical circles of social sciences in Yugoslavia, Romania, Hungary, Poland, and Bulgaria have taken on a more active atmosphere in recent years. With the development of economic construction and and exploration and work in structural reform, scholars and experts in economics of these countries have conducted earnest research and put forth many new concepts with insight, which has exerted, and is exerting great effects on pushing ahead the development of the economic reform and socialist construction in these countries.

Through free discussion, the theoretical circles of these countries, economic theoretical circles in particular, have chiefly put forth the following new concepts.

NEW BREAKTHROUGHS IN THE DISCUSSION OF THE OWNERSHIP THEORY. Many scholars believe that with the present level of productive forces, the sole reliance on a state-ownership economy cannot meet the ever-increasing material needs of all members of society. Hence, the need to exercise the supplementary role of collective and individual economies. The existence and development of multiple economic factors are the objective needs of economic development. Polish and Hungarian theoretical circles believe that the degree of maturity of public ownership at the present stage fails to express the production level, and the key is to see whether such ownership conforms to the developing level of productive forces at present. Hungarian, Polish, and Bulgarian theoretical circles believe that under a situation with ownership by all the people taking a dominant position, there should be a multi-tier ownership structure with diversified economies co-existing. They advocate the co-existence and common development of diversified economies such as ownership by all people, collective ownership, private ownership (referred to in some countries as socialist individual ownership,) mixed ownership (referring to enterprises with foreign capital or joint-ventures,) social group ownership (namely, enterprises run by organs or organizations,) and common ownership (referring to factories or enterprises with collectives and individuals as shareholders.) They no longer advocate the transition of a collective ownership economy to an individual ownership economy. However, the scholars of some countries still oppose the emergence of private ownership of production means in whatever forms.

A NEW UNDERSTANDING IN THE THEORY OF CONTRADICTIONS BETWEEN PRODUCTIVE FORCES AND PRODUCTION RELATIONS UNDER SOCIALIST CONDITIONS. For a long time, the economic theoretical circles of these countries believed that under socialist conditions, production relations would automatically adjust to the development of productive forces. They only stresse the unanimity of the two, rarely talked about contradictions, and less so about the need for reform in production relations. In recent years, the theoretical circles of such countries as Romania have established new concepts on this issue. An article of the Romanian party Journal SOCIALIST AGE says, "The production relations of socialist society do not automatically and mechanically suit the development of productive forces." It points out, "conventional effects were too great in the past, and the view on relations between productive forces and production relations was far too oversimplified and dogmatic. [paragraph continues]

"Production relations were said to be either inevitably lagging behind productive forces, or entirely suited to productive forces through socialist revolution; and these views are all one-sided." The Romanian theoretical circles believe, "to find a solution to fulfill the task of the all-round development of socialist economy, it is necessary to continuously make complete and perfect production relations in the course of socialist construction, and to primarily improve the economic administrative system." Some other countries also believe that at present, all nations should not only further develop productive forces, but the most important thing is to make perfect and complete or to reform production relations, including, making perfect and complete or reforming the economic administrative system; only then will it be better suited to the development of productive forces.

THE THEORY OF SEPARATING THE OWNERSHIP OF PRODUCTION MEANS FROM MANAGERIAL POWER IS PUT FORTH. At the Bulgarian Communist Party meeting in October 1980, Todor Zhivkov put forth the theoretical question that the State is the owner of the means of production, and the labor collective is the manager of socialist properties. Bulgarian scholars believe, "the genuine owner of all collective and state properties is the state, while the labor collectives or the laboring masses are the direct managers of socialist properties." Likewise, the Hungarian theoretical circles put forth the theory that "the state is the owner of the properties of all people, while the labor collectives, teams or individuals are the managers of those properties," and stress that "different forms of management may exist under the same kind of ownership, while the changes of the latter will not affect the changes in the nature of ownership." This theory has gradually become one of the theoretical bases of the current economic reform. At present, such countries as Hungary and Poland have already placed a number of state-owned small factories, stores, restaurants and even some workshops of some large factories, which had long suffered from deficits, under collective, team, or individual management; and remarkable economic results have been accomplished.

SOME NEW CONCEPTS HAVE BEEN PROPOSED ON THE THEORY OF DISTRIBUTION. In the past, these countries also stressed that socialism should follow the principle of distribution according to work, but in practice, they went in for egalitarianism. Romanian theoretical circles believe such an egalitarian distribution system in practice had for a long time failed to give play to the laborers' enthusiasm in production. With the completion and perfection or reform of the economic structure in these countries in recent years, it was proposed in the theory of distribution that "it is necessary to seriously implement the principle of distribution according to work, and to link wages and bonuses with the accomplishments or contributions of the laborers. In wage reform, some countries stressed the following two points: 1) the differences in distribution must be acknowledged, and appropriately expanded, to break through the egalitarian distribution system. 2) The differences in distribution should not be too wide, resulting in polarization. [paragraph continues]

The trend that some members of society would become millionaires and "red capitalists" must be guarded against. For this, these countries have adopted some measures to regulate and restrict personal income; for example, graduated income tax rates are levied on individual managers, personal income tax is levied on individual members of society, and graduated income tax rates are levied on those with an extraordinarily great income, to avoid a minority of people becoming millionaires

LI PENG MEETS POLISH MARITIME MINISTER 10 SEP

OW0101154 Beijing XINHUA in English 1147 GMT 10 Sep 86

[Text] Beijing, September 10 (XINHUA) -- Chinese Vice Premier Li Peng met here today Adam Nowotnik, Polish minister of maritime economy, and his party.

The Polish minister had just returned from Shanghai, where he attended celebrations of the 35th anniversary of the establishment of the China-Poland Shipping Company.

Li told Nowotnik that the China-Poland Shipping Company was the first joint-venture between China and another country. The company had witnessed sound cooperation between the two partners in the past 35 years.

He expressed the hope that the two countries would carry out cooperation in part construction and management, marine research and the training of shipping personnel as well as in shipping.

Nowotnik replied that he had talks with Chinese Minister of Communications Qian Yongchang. They had also signed the minutes of their talks, which he believed would promote shipping cooperation between the two countries.

He said that he and Qian had exchanged views on the international shipping market. They shared the view that with the present world depression in shipping, the two countries should further their cooperation to protect their interests. They had also agreed to strengthen exchanges between the two countries in loading and unloading at ports and technologies used in port construction.

[Warsaw PAP in English at 1927 GMT on 10 September in a similar report adds: Minister Nowotnik held talks with Chinese transport minister, which resulted in signing a protocol of agreements concerning the Polish-Chinese cooperation in the field of maritime economy. Nowotnik also met with Minister of Agriculture, Animal Husbandry and Fishery He Kang, for talks on establishing Polish-Chinese fishing cooperation.]

TANZANIAN DELEGATION CONTINUES BEIJING VISIT

Meets With Tian Jiyun

OW061046 Beijing XINHUA in English 0755 GMT 6 Sep 86

[Text] Beijing, September 6 (XINHUA) -- Chinese Vice-Premier Tian Jiyun and Seif Shariff Hamad, chief minister of Zanzibar of the United Republic of Tanzania, held talks here today.

They both stressed that China and Tanzania have all along respected and trusted each other and their mutual understanding and friendship have kept increasing. They noted that since the establishment of diplomatic relations between the two countries more than 20 years ago, satisfactory growth has been registered in bilateral friendly relations and cooperation in various fields as a result of their joint efforts.

They also briefed each other on their respective countries' political and economic situation, and conferred on the southern Africa issue and on matters concerning bilateral economic cooperation and trade.

Talks With Zhao Ziyang

OW071356 Beijing XINHUA in English 1351 GMT 7 Sep 86

[Text] Beijing, September 7 (XINHUA) -- Chinese Premier Zhao Ziyang met Seif Sharif Hamad, chief minister of Zanzibar of Tanzania, and his party here today.

Zhao said there exists very good cooperation between China and Tanzania and profound friendship between their peoples. China sets great store by expanding such friendship and cooperation and hopes that these relations will grow constantly through the joint efforts of the two countries, he added.

Hamad said during their current visit to China they have been deeply impressed by China's on-going economic reform.

Earlier today, Hu Qili, member of the Political Bureau and member of the Secretariat of the Chinese Communist Party Central Committee, met Hamad and his visiting party. Hamad is also a member of the Central Committee of the Revolutionary Party of Tanzania. The two sides discussed matters concerning futher expansion of relations between the two parties.

SONG RENQIONG MEETS VISITORS FROM CONGO

OW041427 Beijing XINHUA in English 1403 GMT 4 Sep 86

[Text] Beijing, September 4 (XINHUA) -- Song Renqiong, vice-chairman of the Central Advisory Commission of the Chinese Communist Party, met Goma Foutou, secretary of the Congolese Labor Party Central Committee, and his wife. Deng Zhaoxiang, vice-chairman of the National Committee of the Chinese People's Consultative Conference, was present on the occasions.

LI PENG MEETS WITH BOTSWANA MINISTER, PARTY

OW061152 Beijing XINHUA in English 1000 GMT 6 Sep 86

[Text] Beijing, September 6 (XINHUA) -- Vice-Premier Li Peng met Colin Blackbeard, Botswana minister of works and communications, and his party here today at the Great Hall of the People.

Chinese Minister of Railways Ding Guangen was present. The Botswana visitors are guests of the Ministry of Railways.

WU XUEQIAN MEETS FORMER JORDANIAN MINISTER

OW041425 Beijing XINHUA in English 1402 GMT Sep 86

[Text] Beijing, September 4 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian met and feted visiting former Jordanian Foreign Minister and Member of the Senate Walid Salah and his wife here this evening.

JI PENGFEI MEETS RWANDAN PUBLIC WORKS MINISTER

OW081220 Beijing XINHUA in English 1111 GMT 8 Sep 86

[Text] Beijing, September 8 (XINHUA) -- Chinese State Councillor Ji Pengfei met here today Joseph Nzirorera, minister of public works and energy of Rwanda, and his party.

SONG PING MEETS MAURITIUS EDUCATION DELEGATION

OW061052 Beijing XINHUA in English 0815 GMT 6 Sep 86

[Text] Beijing, September 6 (XINHUA) -- Chinese State Councillor Song Ping met an education delegation from Mauritius here today.

The delegation is led by Armoogum Parsuraman, minister of education, leisure and culture. He Dongchang, vice-minister of China's State Education Commission, was present.

NPC OFFICIAL MEETS UGANDAN GOOD-WILL DELEGATION

OW101055 Beijing XINHUA in English 1030 GMT 10 Sep 86

[Text] Beijing, September 10 (XINHUA) -- Zhou Gucheng, vice-chairman of the National People's Congress Standing Committee, met a goodwill delegation from Uganda led by Professor George Kirya, vice-president of the Makerere University, here this afternoon.

The visitors arrived here September 8 at the invitation of the Chinese People's Association for Friendship With Foreign Countries.

TRADE UNION OFFICIAL MEETS SIERRA LEONEAN GROUP

OW091822 Beijing XINHUA in English 1452 GMT 9 Sep 86

[Text] Beijing, September 9 (XINHUA) -- Luo Gan, vice-president of the All-China Federation of Trade Unions, met and gave a dinner, in the name of its President Ni Zhifu, for a delegation from the Sierra Leonean Labor Congress led by its Chairman Ibrahim Langley here today.

The host and the guests discussed ways to strengthen ties between the two countries' trade unions. Sierra Leonean Ambassador to China C.B. Aubee was present at the banquet.

'ARAFAT CALLS FOR MEETING; THANKS PRC FOR SUPPORT

OW050422 Beijing XINHUA in English 2342 GMT 4 Sep 86

[Text] Harare, September 4 (XINHUA) -- Chairman of the Palestine Liberation Organization (PLO) Yasir 'Arafat today renewed his call for the convening of an international conference with the participation of all parties concerned, including PLO, to settle the Middle East conflict.

He said a comprehensive and just solution to the Palestine problem and the realization of peace in the region will be conducive to the Middle East region and the whole world as well.

Speaking at the current non-aligned summit, 'Arafat said the United States is playing a dangerous role of imposing its influence and hegemony in the region by using the Israeli war machine. He denounced Israel as another "racist regime" beside South Africa. Tel Aviv and Pretoria are "collaborating" with each other politically, economically and militarily against the peoples of Palestine and South Africa, he said.

He expressed thanks to the friendly countries, including China, for their long-time support to the Palestinian cause. He also urged Iran and Iraq to end their six-year-old war.

RENMIN RIBAO REPORTS ON DETENTION INCIDENT

HK100947 Beijing RENMIN RIBAO in Chinese 5 Sep 86 p 1

[Report: "Professor Zhou Yao Detained in Violation of Human Rights"]

[Text] The Central People's Broadcasting Station reports that it has received a letter from He Hunwen, one of its reporters, which says that Wang Haipeng, a gardening cadre of Qindu District, Xianyang, Shaanxi and a responsible person of a checkpoint in Qindu District, and another person illegally detained national CPPCC member Professor Zhou Yao of the Northwest Agricultural University for more than 3 hours. With Prof Zhou was Assistant Principal Li Peicheng of the same university, who had been detained for 16 hours. Wang Haipeng did this purposely for revenge in violation of human rights. The letter requires departments concerned to investigate and to affix legal responsibility to Wang Haipeng and the other person.

The letter says: On 30 May, the workers at this checkpoint quarrelled with the students of the Northwest Agricultural University when the latter examined their quarantine certificates. The workers at the checkpoint were not happy about the handling of their quarantine certificates. From then on, they found faults with and stopped all vehicles of the Northwest Agricultural University that passed through the post. At about 1000 on 25 August, Professor Zhou Yao and Assistant Principal Li Peicheng left the university by car to go to Xian to attend the Shaanxi provincial conference of rural progress in agricultural science and technology. When they passed through the checkpoint, Wang Haipeng and the other person checked the car by force, removed the car license without sanction, and restricted the personal freedom of Professor Zhou Yao and his company. Professor Zhou presented his national CPPCC membership identification card and certificate as a delegate to the provincial conference on rural progress in agricultural science and technology and explained that he could not be delayed in getting to the conference. Wang Haipeng said: "What use are those certificates? Stop suppressing others just by being a leader at the provincial level. Even if leading members at the central level should come today, we wouldn't let you go."

It is noted in the reporter's letter that the checkpoint of Qindu District is about 5 km away from Xianyang. There are no villages or shops around. Professor Zhou Yao is in his late seventies. Because of long exposure to the scorching sun, anger, exhaustion, hunger and thirst, he was not feeling well. When the leader of the Maoling Agricultural Machinery Institute heard about the incident, he sent people on a special trip to mediate. It was not until after 1300 when Wang Haipeng and another gave permission for Professor Zhou to leave the checkpoint in the car of the agricultural machinery institute. Assistant Principal Li Peicheng and another continued to be detained. When Shaanxi Vice Governor Lin Jizhou heard about the situation at about 1500, he immediately called the Xianyang City government to solve the problem as soon as possible. At around 2000, Vice Governor Lin sent someone to call again, urging the city government to solve the problem. It was not until after 0200 on 26 August that Assistant Principal Li Peicheng and the other person were given permission to leave the checkpoint for Xian, after being detained 16 hours. They were 1 day late for the conference, which was scheduled to begin on 25 August.

Commentator's Article

HK101015 Beijing RENMIN RIBAO in Chinese 5 Sep 86 p 1

[Commentator's article: "Commenting on the Detention of People at the Xianyang Checkpoint"]

[Text] Wang Haipeng is the responsible person at a checkpoint in Xianyang. He illegally detained national CPPCC member Professor Zhou Yao, who is in his late seventies, and Assistant Principal Li Peicheng of the Northwest Agricultural University, and another person, in violation of the personal freedom of the citizens. This incident of violating laws and discipline roused people's wrath when it was made known to the public through the Central People's Broadcasting Station.

With the development of our national construction, various laws and decrees have been drawn up and checkpoints of all kinds set up. These checkpoints should perform their duties, and those who pass these checkpoints, no matter how high their positions are, should work in coordination with them. This is beyond question. However, the checkpoint under Wang Haipeng's charge has arbitrarily detained cars and people out of provocation and revenge. The workers of this checkpoint had trouble with the students of the Northwest Agricultural University because of the examination of their quarantine certificates. They were unhappy about the results. After that they had stopped all cars of the university passing through the checkpoint as revenge. This is not permitted. Whether the checkpoint was right or not in handling problems, the detention of people was groundless, which means violation of the law. The detention of these people was in violation of the law, as would be the case of detaining any worker, peasant, or student.

Regarding the conduct of the troublemaker in violation of the law, a vice governor of Shaanxi make a phone call, but they just would not listen and were bent on having their own way. If everyone abused his power like Wang Haipeng and his kind, things would be lawless. There was lawlessness in the old society and lawlessness during the "Great Cultural Revolution," and the people suffered. Today, as socialist democracy and the legal system are being reinforced, we should never allow any conduct violating the Constitution and trampling the law.

We do have the law. No matter who and no matter on what "grounds," violations of the law should be punished by the law. The law must be abided by when there is a law, and those who have violated the law must be affixed the responsibility. This applies to everybody. Through the incident of detaining people at the Xianyang checkpoint, we can see the necessity of education about the legal system among all cadres and people. Not long ago, a number of major and important results were grasped from the central authorities to the localities in the course of party rectification and correcting the unhealthy tendencies in society. These had some effects. We should likewise attach great attention to grasping education about observing laws and discipline and handle those people who violate laws and discipline seriously and earnestly. This is the requirement of the Central Committee as well as the voice of the people.

YU QIULI ON GUIDANCE OF MARXISM IN LITERATURE

OW101936 Beijing XINHUA in English 1554 GMT 10 Sep 86

[Text] Beijing September 10 (XINHUA) — China's literature and art need the guidance of Marxism and Mao Zedong thought and this constitutes a "fundamental guarantee" for its development, according to senior leader Yu Qiuli.

Yu Qiuli, member of the Political Bureau of the party Central Committee, said here Tuesday the fundamental reason for the invincibility of the party and the army during the revolutionary wars was their dependence on the guidance of Marxism.

"We are depending and will still depend on this," Yu, director of the Chinese People's Liberation Army General Political Department, told a meeting called by the Research Institute on Marxist Literary Theory.

He said, "we should try to develop Marxism in the course of debates and discussions, and should believe that the people are able to tell right from wrong and develop the truth."

Yu's view was shared by Deng Liqun, member of the Secretariat of the party Central Committee, who also spoke at the meeting.

CPC LEADERS DEBATE ROLE OF MARXISM IN CULTURE

HK110742 Hong Kong AFP in English 0621 GMT 11 Sep 86

[Text] Beijing, Sept 11 (AFP) — China's art and literature need the guidance of Marxism and Mao Zedong thought, China's top commissar said in an open rebuttal Thursday to a recent call by Chinese writers to take up the banner of humanism.

Yu Qili, director of the People's Liberation Army Political Department, told a meeting called by the Research Institute on Marxist Literary Theory that it was the leadership of Marxism and "firm faith in communism" which had made the Chinese revolution possible, the PEOPLE'S DAILY said.

"In the past we relied on this, at present we rely on this and in the future we will rely on this," Gen Yu said. "We must continue seeking truth under the flag of Marxism."

Analysts and Gen Yu's remarks were in open contradiction to a recent high-profile address by Chinese critic Liu Zaifu on the question of China's current cultural developments. Mr. Lui's speech, to 200 leading writers and critics here Sunday, was printed in full in the PEOPLE'S DAILY on Monday and appeared to reflect the current view of avid reformist leaders such as Communist Party General Secretary Hu Yaobang, the analysts said.

Mr Liu that literature be freed from political constraints, and said the contradiction between humanism and class struggle would remain the main issue in Chinese artisitc circles for many years to come. "Our literature today should take socialist humanism as its banner," said Mr Liu, who made not a single mention of Marxism in his entire address.

Gen Yu's remarks were summarized in a brief report which was given less prominent display, despite his position as a member of ruling Communist Party Politburo. That the two comments should both appear in the PEOPLE'S DAILY indicated that the leadership was continuing to debate the role that Marxism and Mao Zedong thought should play in Chinese cultural circles, the analysts said.

XUE MUQIAO EXAMINES OPENING-UP POLICIES

HK101552 Beijing JINGJI RIBAO in Chinese 6 Sep 86 p 1

[Report by Yang Liwei and Chen Zhiquiang: "Economist Xue Muqiao Says the 'Deflation Policy' Does Not Mean Retracting the Opening-Up Policy"]

[Text] "Now that opening up to the outside world has been made the basic policy of our state and there is no question of retrenching this policy in any respect, why has a deflation policy still been applied equally to all open cities and special economic zones in the past year?" In replying to this question at a symposium held recently, well-known economist Xue Muqiao said: "The deflation policy is aimed at improving macroeconomic control. Since we have lost control, we have to practice deflation for a certain period so that excessive investments can be used and the situation improved. This deflation policy does not mean retrenching the opening-up policy and reform. It is to ensure that the opening-up process and the reform continue to develop along the right track!"

During the symposium, many comrades from open cities and special economic zones expressed their misgivings about the deflation policy. Some comrades said: The special economic zones are now no longer "special." Open cities are almost the same as other cities since the power to examine and approve import and export projects, previously delegated to the lower level, has now been revoked. Xue Muqiao said: Great success has been achieved in the opening-up process. But one is bound to encounter some new problems in undertaking a new task. He said: Your areas are enjoying exceptionally favorable conditions and therefore should take the lead in introducing investment from abroad and establishing lateral ties at home. Opening up to the outside world and invigorating the economy at home are two inseparable aspects. We must do our best to find a way to break the two big pots [enterprises eat from the same big pot provided by the state, while staff members eat from the same big pot provided by enterprises] and then invigorate the economy of the whole country.

The "inaugural meeting for the society of study of open ports and cities and the symposium on the strategy of opening up" which opened in Beijing on 28 August focused on improvement of the environment for soft investment. The discussions covered the change in ideological conception, the strengthening of government administrative departments' service function, the structural reform of open cities, and so on. Tong Dalin delivered a speech at the opening session entitled "Opening Up Is the Most Important Policy."

XINHUA ON DEMOCRATIC ATMOSPHERE AT NPC SESSION

OW090841 Beijing XINHUA Domestic Service in Chinese 0715 GMT 7 Sep 86

[Report by XINHUA reporters Zhao Xiang and He Ping: "Carry Forward This Kind of Democratic Atmosphere"]

[Excerpts] Beijing, 7 Sep (XINHUA) -- The deepest impression we had of the 17th session of the Standing Committee of the 6th National People's Congress, which just ended, was its strong democratic atmosphere. [passage omitted]

At the meeting, more than 100 members of the Standing Committee of the Sixth National People's Congress expounded their views on major issues and draft laws of the state in the spirit of seeking truth from facts.

Vice Chairman Peng Chong pointed out at a joint group meeting on 5 September: At this meeting, the members of the Standing Committee have had heated discussions on articles of the draft laws and on whether those laws should be adopted for immediate implementation. The members have spoken without any inhibitions, with their duties in mind.

Touching on major steps in the reform of the economic structure and important measures related to state planning and people's livelihood, the members expressed their views by making an overall analysis and taking the whole country into consideration or by reflecting the views of the people. Many of them expressed their views by basing themselves on theory and citing vivid examples. They were very enthusiastic in expressing their views.

At the closing meeting on 5 September, Chairman Peng Zhen described the session as a very successful one marked by enthusiastic and serious discussions. He said: "Your speeches reflect that you hold yourselves responsible to the state and represent the common and fundamental interests of the people of all nationalities in our country, and that you seek to further promote our socialist cause." Comrade Peng Zhen's remarks profoundly expressed the essence of socialist democracy.

We had interviews with a number of members of the standing committee and heard their speeches at the meeting. We sensed their deep understanding of how to fully develop democracy, that is, by truly reflecting the people's wishes and demands and conscientiously using the power vested in them by the people. [passage omitted]

We believe that if our people's congresses and their standing committees at various levels can all full develop democracy and earnestly use their power in carrying out their duties and if our party and government organizations, at various levels, can all give full play to democracy and conscientiously improve their work style, our country will certainly speed up the progress of democracy and greatly promote the building of its legal system.

RENMIN RIBAO ON 'STEREOTYPED PUBLIC OPINION'

HK100606 Beijing RENMIN RIBAO in Chinese 8 Sep 86 p 5

[Article by Xian Yu: "Discussing 'Stereotyped Public Opinion' Once More"]

[Text] The question of "stereotyped public opinion" is one of great fame.

The phrase "repudiating 'stereotyped public opinion'" in the campaign criticizing Hu Feng became household words 31 years ago. Different opinions are permitted among the people; with counterrevolutionaries, we should practice stereotyped public opinion only, and they are not allowed to be unruly in word or deed; and attacking us on going in for "stereotyped public opinion" is a counterrevolutionary argument. All this is familiar to all, and no different opinions have been aired with regard to them.

Of late, we have been marking the 30th anniversary of the "double-hundred" proposal, and I find it necessary to discuss, once more, the question of "stereotyped public opinion."

The verdict of Hu Feng has been reversed, and it is reasonable to gain new understanding of the question of "stereotyped public opinion." It was said at that time: "When Hu Feng says there is 'stereotyped public opinion,' he means that counterrevolutionaries are not given the right to air counterrevolutionary views." [paragraph continues]

This assertion was the entire groundwork for the inference. In reality, the "stereotyped public opinion" Hu Feng said referred to forbidding comrades in the revolutionary camp to air different views and to make criticism. Therefore, the negative criticism against "stereotyped public opinion" cannot be regarded as "counterrevolutionary argument"; on the contrary, he put forth question worth great attention to the ideological and cultural field.

The regret is things at that time developed by another logic: Because you have aired acute different views and made criticism, you are a counterrevolutionary; because you are a counterrevolutionary, your views are counterrevolutionary; and because you aired counterrevolutionary views, we must exercise "stereotyped public opinion" and abolish your right to speak.

It is more regretful that such "logic" did not confine itself to handling Hu Feng's case. In one political campaign after another since then, from the serious magnifying of the "anti-rightist campaign" to the campaign to fight against "rightist tendencies" as well as the "Great Cultural Revolution," such "logic" was repeated in new forms on a wider scope.

Despite the fact that different opinions are allowed among the people in the campaign of criticizing Hu Feng and that the principle of "letting a hundred flowers blossom, letting a hundred schools of thought contend" was proposed in the year following the campaign of criticizing Hu Feng, "stereotyped public opinion" still occupied a dominating place in the ideological and cultural field for a long time after that. But that was nothing strange. if different views among the people (comparatively acute criticism in particular) were regarded as "heretical," if people were condemned because of their speeches, when the right to speak of such people was in turn abolished, when everybody found himself in a dangerous position and would not dare say a word, would it not be empty words to allow different opinions among the people? Would the "double-hundred" people not become mere lip service? "Stereotyped public opinion" suppressed the "hundred flowers" as well as the "hundreds schools of thought." The one "stereotyped public opinion" conquered the "hundred schools of thought," which would never be a par with the one "stereotyped public opinion," and that was the reality of the ideological realm in China for a considerably long period of time.

Of course, the efforts to push "stereotyped public opinion" could never genuinely achieve its end in reality, and the so-called "stereotyped public opinion" was only superficial and temporal. Even if "stereotyped public opinion" was achieved in some major aspects, it was impossible in most minor aspects. Differences and contradictions always exist in people's understanding of objective matters, which is the objective law governing the spiritual world. Acknowledgement of differences, allowing differences in views, is just showing respect for the objective law, as well as a demonstration of genuine belief in the people and faith in one's own strength.

Regarding the "stereotyped public opinion" over the years, people often blame it on the "leftist" guiding idea of "taking class struggle as the key." That was true, but we should introspect in a deeper and farther historical background. Looking back, we found "letting a hundred schools of thought contend" an event taking place in the spring and autumn period and the times of the warring states. After the first emperor of the Qin Dynasty conquered the other six warring states and unified China, Wu Di, the Western Han emperor "abolished the hundred schools of thought, and showed respect solely to Confucianism." The feudal emperors and lords throughout all dynasties attached great importance to the ideological control of their officials and people, and went in for "stereotyped public opinion." Here, the mentality of showing honor and love for "stereotyped public opinion." [paragraph continues]

The long historical tradition would not pass away on its own accord with the changes of the times; on the contrary, "taking class struggle as the key" enabled it to obtain the most "revolutionary" permission for its revival. In recent years, Deng Xiaoping and other leading comrades of the Central Committee have repeatedly stressed bringing forward socialist democracy and implementing the"double-hundred" policy; however, the wide and profound effects of "showing sole respect to one" over a history of more than 2,000 years and the "stereotyped public opinion" of more than 3 decades should not be underestimated.

Marking the 30th anniversary of the "double-hundred" proposal is not just looking back nostalgically at the brief good old times, but the yearning for a beautiful future. In implementing the "double-hundred" principle, it is imperative to break through the rigid pattern of "stereotyped public opinion" among the people. When such uncalled-for ice of "stereotyped public opinion" melts thoroughly in the mild wind of "hundred-school contention," the socialist ideological and cultural field will take on a new look, truly rich in color and beauty.

RENMIN RIBAO ON MAINTAINING LAW AND ORDER

HK110557 Beijing RENMIN RIBAO in Chinese 6 Sep 86 p 2

[Commentator's article: "An Important Law for Safeguarding Social Order and Peace"]

[Text] The development of the socialist modernization cause in our country requires a stable environment. This is a historical lesson we have drawn. Social order must be maintained with a complete set of laws. The "PRC Penal Regulations for Maintaining Law and Order" adopted by the 17th Meeting of the 6th NPC Standing Committee is one of the important administrative laws and regulations for safeguarding social order and public security in our country, protecting citizens legitimate rights and interests, and ensuring the smooth development of construction in all fields.

In 1957, our country formulated the first "penal regulations for maintaining law and order," and this law was repromulgated in 1980. The implementation of this law has played an important role. So, why should we now formulate a new set of such regulations? This is because in the past 20 years and more, huge changes have occurred. In particular, since the 3d Plenary Session of the 11th CPC Central Committee, with the implementation of the policy of opening up the outside world and enlivening the domestic economy and the in-depth development of economic structural reform, many new conditions and questions have appeared in the field of maintaining law and order, and the old regulations cannot meet the needs of the developing situation. Laws, as part of the superstructure determined by the economic base, should be appropriately abrogated, revised, and enacted in light of the changes in social conditions. Therefore, the NPC Standing Committee has taken a very necessary step in formulating the new "penal regulations for maintaining law and order."

The "regulations" provide an important legal foundation for dealing with minor offenses, which harm social order but cannot be handled as serious criminal cases. The regulations clearly stipulate, in light of present social conditions, the penalty for such minor offenses and define the actions which disturb public order and constitute an offense. According to the regulations, necessary penalties will be imposed on offenders who disturb public order. The purpose of the penalties is to prompt people to abide more consciously by discipline and law. So the prinicple of combining penalty with education will be carried out.

At the same time, the "regulations" require that the public security organs and township (or town) people's governments correctly impose penalties on offenders according to the stipulations. This will help raise the work quality of the law executive organs and will ensure the strict observance of law and discipline. This is of great significance for effectively protecting citizen's legitimate rights and interests.

The promulgation of new "penal regulations for maintaining law and order" is an important step in building a sound socialist legal system. This is a powerful weapon for the public security organs and the public in fighting against offenses, and is a standard for citizens for self-education and self-restraint. Maintaining public order and building a sound socialist legal system are the responsibility of the entire society. All cadres and ordinary people should seriously study and actively publicize the "regulations." This should be an important part of the activities of popularizing legal knowledge and building socialist spiritual civilization. Everyone should bring their words and deeds into line with law, have a better understanding of law, be conscientious in observing law and discipline, and fight against various law offending actions. Schools should include the new "penal regulations" in their lessons on law and should make young people understand what are legal actions and what are illegal actions. There are still more than 3 months before the new "regulations" officially come into force. Public security organs and personnel in all localities must seriously study this law document and make good preparations for its implementation.

ECONOMIC SYMPOSIUM REVIEWS PLANNING REFORM

OW101844 Beijing XINHUA in English 1430 GMT 10 Sep 86

[Text] Beijing, September 10 (XINHUA) -- Some of China's leading economists say China should adopt the strong points of both planning and market systems in the ongoing reform of its planning system.

"We should choose the management model of taking guidance plans as the dominant factor," they said at a national symposium on economic management which closed here today. This means that the state should regulate and control the market, and the latter should guide businesses in production, one explained. Another participant said, "but even where the regulatory force of the market has reached, the state should still use economic measures to dominate it so that it will guide businesses in line with the needs of the country's overall economic expansion." Meanwhile, it is also necessary for the state to maintain what he called direct control over some economic operations so as to make up for the drawbacks of the market system.

Some economists said that they did not agree with this view. One said, "I think the market should assume most of the functions of regulating China's economy. Only when this is ineffective should the state exercise supplementary regulation." Still others expressed the view that the functions of state planned regulation and market force regulation should be mixed together.

Most participants agreed that decentralization of power and simplification of administration had not yielded "significant results" in recent years. "The crux of the matter lies in decentralizing economic managerial power rather than changing the authorities to which businesses are subordinate," one said. To this end, it is necessary to separate economic management from administration promptly, making it possible for the economic management system to operate independently and the administrative system to oversee services.

Referring to China's present economic situation, some participants said the imbalance between supply and demand remains prominent, and therefore "the state should continue curtailing the increase in demand."

Others said this imbalance has been eased as a result of the state's control measures. "What we should try to do now is to adopt stimulative measures to bring about a moderate economic growth rate," one said.

URBAN AREAS TO ADOPT MEASURES IN ECONOMIC REFORM

HK100801 Hong Kong WEN WEI PO in Chinese 10 Sep 86 p 2

[Special dispatch from Beijing: "China Intends To Adopt Four Measures in Urban Economic Reform Next Year"]

[Text] According to well-informed sources here, the urban economic reform on the mainland of China has not, as some people say, come to a standstill but is making steady progress.

After making thorough investigations and studies and carrying out repeated discussions, the following four major measures are expected to be adopted next year:

1. The steel products market will be opened. Prices of steel products allocated by the state will be readjusted by a big margin in order to eliminate the abnormal phenomenon of phoney sales and resales at a profit caused by the serious imbalance in supply and demand. At the same time, a negotiated market price for steel products will be set up in various major cities in order to regulate the prices and the varieties needed.

2. Financial reform will be carried out. Experiments will be conducted in several selected pointed with the aim of gradually enlivening the bank business on the mainland and to gradually set up short-term and open-type money markets.

3. Reform of government organs will be boldly carried out. Specialized administrastive departments will be weakened and comprehensive administrative departments will be strengthened in order to gradually separate government administation from enterprise operation.

4. Experiments on the reform of the ownership structure will be carried out and the share system will be implemented on a trial basis in some cities and enterprises.

If everything goes smoothly, the above-mentioned measures will be gradually adopted next year. However, it is expected that some of them will be postponed till 1988. The reform of government organs in particular not only needs thorough preliminary informal discussions but also needs necessary legislative procedures in order to avoid following the same old disastrous road.

Regarding the question of "not substituting the government with the party" put forward by Deng Xiaoping, more studies are needed. This is because neither the Soviet pattern nor the East European pattern has been able to solve this problem. We have no political or economic example to follow in building "socialism with Chinese characteristics." We must carry out exploration step by step.

RENMIN RIBAO ON TOWNSHIP, TOWN ENTERPRISES

HK110427 Beijing RENMIN RIBAO in Chinese 6 Sep 86 p 1

[Report by Ling Zhijun: "China's Township and Town Enterprises Enter a New Stage of Development"]

[Text] Judged by the information gathered from the Export Commodity Trade Fair of the Rural Enterprises, we can see that the township and town enterprises account for 80 percent of the industrial enterprises in the whole country and that their total output value makes up nearly 20 percent of the total industrial output value in the whole country. These enterprises are now entering a new stage of development, namely, changing from focusing on expanded reproduction by extension to focusing on expanded reproduction by intension and from laying particular stress on grasping output and speed to pursuing speed on the basis of vigorously grasping product quality and economic results. Due to the unbalanced economic development in different localities, these "two changes" do not come about at the same time. Generally, they happen earlier in areas with an advanced economy than in areas with a backward economy.

This trade fair closed on 5 September at the National Agricultural Exhibition Hall in Beijing. During the fair, the township and town enterprises from all parts of the country signed over 200 trade contracts with parties in every province, municipality, and autonomous region in the country, as well as with 54 countries and 3 world organizations, with the business volume reaching over 200 million yuan.

Judged by the conditions of over 6,000 township and town enterprises in 26 provinces and municipalities which participated in the trade fair, we learn that the areas with a relatively advanced economy hae begun to embark onto the road of expanded production by intension. In the first half of this year, although the numbers of township and town enterprises in Zhejiang, Jiangsu, Tianjin, Hubei, Shaanxi, and other places were the same as, or less than, those at the end of last year, the growth rates of the total output values of the township and town enterprises in these provinces and municipalities were all maintained at about 20 percent. The increases in output values were created mainly as a result of the internal transformation of the existing enterprises. In Jiangsu Province, whose total output value of township and town enterprises leads the whole country, following the imposition of strict control over new construction projects in the third quarter of last year, over 1,000 construction projects have been stopped or suspended in succession, reducing investments by over 600 million yuan. Meanwhile, it has also proposed a new development orientation of improving quality, management, and technology and increasing economic results and has used all the reduction in capital construction investment in the technical transformation of the existing enterprises. This year, Liaoning Province set up some technological service centers for the township and town enterprises and transferred a number of engineers from the state-run enterprises to permanently engage in the technical management of the township and town enterprises. Fujian Province has established an import and export company for the township and town enterprises, which is the first of its kind in the country, and has adopted international standards to improve the production of township and town enterprises.

Notwithstanding that the numbers of township and town enterprises in Gansu, Ningxia, Guizhou, Xizang, and other provinces and regions are still growing this year, the growth rates have tended to slow down. These areas also have an urgent demand for improving the internal quality of enterprises and improving the quality of products.

While analysing his region's developmental stress in the future, a comrade from Ningxia told this reporter that Ningxia will be "walking on two legs." Although in areas irrigated by the Huang He the stress is on improving the management and technology levels of the existing enterprises, in the mountainous areas efforts should be made to set up some new projects which can yield fast and good results.

Commentator's Article

HK110523 Beijing RENMIN RIBAO in Chinese 6 Sep 86 p 1

[Commentators article: "Take the Road to Technological Progress"]

[Text] Our country's township and town enterprises which were set up over the last few years have arranged jobs for over 70 million rural laborers and created a lot of social wealth, thus rendering outstanding meritorious service in changing the impoverished and backward state of the rural areas of China. The Export Commodity Trade Fair of the Rural Enterprises, which ended yesterday in Beijing, has demonstrated that in engaging in sideline industrial production, the peasants can attain not only good output and fast production speed but also good product quality and economic results and high technological levels.

It should be pointed out that the number of factories which can maintain high technological levels, gain good economic results, and produce products of good quality is thus far still not high among township and town enterprises. Most of these enterprises still cannot attain good technological levels, yield good economic results, or produce products of good quality. This is one of the reasons why the development of township and town enterprises tends to be slow at present. How to resolve this issue? The over 6,000 participating township and town enterprises with products which have entered international markets have gained a successful experience: Taking the road to technological progress and improving product quality and economic results. If enterprises follow this experience, they will prosper. If not, they will wither away.

The technological progress of township and town enterprises is a strategic issue affecting the country as a whole. Not long ago, the township and town enterprises in many localities only attached importance to "initiating new projects," to the neglect of technological levels and economic results. Undoubtedly, "new projects" should be initiated. Otherwise, the township and town enterprise would not be as developed as they are today. However, if we keep on "initiating new projects" and pay no attention to quality, results, and technological levels, the vitality of these "newly initiated projects" will become a problem. Township and town enterprises develop in competition, and a rule of competition is survival of the fittest. With no competitiveness, these numerous "projects" will eventually "fall apart." Generally speaking, the future of the township and town enterprises will increasingly depend on the quality of their products and their economic returns.

Beginning from last year, many comrades engaging in the work of the township and town enterprises have felt that things are getting harder and harder than they were 2 years ago. Judged by the external conditions, the tight money market last year should surely be counted as a contributing factor. Nevertheless, this was precisely an opportunity for the township and town enterprises to make self-improvement and strive for progress. [paragraph continues]

Many localities have changed the development of the township and town enterprises from focusing on expanding reproduction by extension to focusing on expanded reproduction by intension and from laying particular stress on quantity and speed to pursuing speed on the basis of improving product quality and economic results and have scored remarkable results. As these changes will take place at different times in different localities, we should not just demand uniformity.

In the coming dozen years or so, more and more surplus rural laborers will join the township and town enterprises, and this is a magnificent strategic task. In order to accomplish this task, those township and town enterprises joining the enterprises of the eighties with the technological level of the fifties or sixties must make great efforts to advance technological progress and improve product quality and economic results, so as to further readjust the labor and production structures in the rural areas and promote the industralization of the rural areas, the modernization of agriculture, and the integration of urban and rural areas. This is where the hope of the prosperity of the rural areas in our country lies.

RENMIN RIBAO ON OWNERSHIP SYSTEM REFORM

HK101551 Beijing RENMIN RIBAO in Chinese 1 Sep 86 p 5

[Article by Shang Xuanli: "A discussion on the Question of 'Ownership System Reform and Structural Readjustment'"]

[Text] Great changes have taken place in China's ownership structure following the profound development of economic strutural reform. These changes have manifested themselves as follows: One is the emergence of a new, diversified structure under which various types of ownership systems coexist and develop together, with the economy under public ownership as the main component. The other is the change in strict separation of different ownership systems from each other to the mixing of these ownership systems. To further carry out ownership system reform, readjust the ownership structure, and rationally arrange ownership forms, the Propaganda Department of the Shanghai Municipal CPC Committee and units including the federation of workers in the social sciences held a joint symposium on reform of the ownership system of the means of production and the readajustment of the ownership structure.

The Key to Ownership System Reform Lies in Reform of the State Ownership System

As state ownership occupies a dominant position in China's ownership structure, the key to ownership system reform lies in reform of the state ownership system. The participants discussed three different plans with regard to this problem.

The first plan is to perfect the state ownership system through economic structural reform. Based on the fact that ownership by the whole people takes the form of state ownership, this plan suggest that state ownership should be negated but perfected. If state ownership is negated, it will be impossible to centralize the means of production of the country and to effectively organize social production, thus giving rise to separatism and diversion from socialism. But if this ownership is not reformed, the rigid, traditional economic mode cannot be removed and enterprises will lose their vitality. This reform is aimed at separating ownership rights from operational rights according to different situations in enterprises and at allowing enterprises to adopt various operational forms. For example, some enterprises will be run by the state, most enterprises will be operated by themselves under ownership by the whole people, and small enterprises will be leased or contracted out. On the one hand, this reform plan recommends retaining state ownership and allowing the state to remain the owner of enterprises, to use its ownership rights to seek profits; to draw up plans, and to regulate the social economy by means of economic levers. [paragraph continues]

On the other hand, it suggests that enterprises should assume sole responsibility for their own losses or profits, because they have independent operational rights. Viewed from lateral relationships, as independent economic bodies, enterprises are the basis for forming a market mode. Horizontally, the establishment of state ownership provides a prerequisite for the setting up of a macroeconomic regulatory mechanism. The combination of these two is the mode of a planned commodity economic mechanism. But a difficult problem facing this plan is how to form an internal regulatory mechanism which can ensure the rational and independent operation of enterprises so that a clear distinction between ownership rights and operational rights can be made.

The second plan is to change ownership by the whole people into ownership by enterprises. Ownership by enterprises under socialist conditions is also a form of public ownership. Its essence is to negate state ownership and change ownership by the whole people into collective ownership. This plan was put forward on the grounds that state ownership is the fundamental cause of loose control over the budget, inactivity of producers, low labor productivity, and bad economic results. Therefore, ownership reform should be aimed at turning ownership by the whole people into ownership by enterprises, allowing laborers to have a direct link with the means of production and encouraging enterprises to operate on their own and assume sole responsibility for their losses or profits. The function of the state will be to carry out regulation by means of economic levers so that enterprises' activities are kept within a rational scope. However, as to how to ensure the expanded reproduction of enterprises, how to exercise macroeconomic control over consumption funds, and how to guarantee the planned development of the socialist commodity economy, all without state plans and intervention, these are difficult problems for this plan to solve.

The third plan is to substitute stock ownership for the state ownership system. The theoretical basis for this plan is that the method of distributing stocks is an inevitable outcome of the commodity economy and large-scale socialized production, is a specific form for laborers to have a direct link with the means of production under socialist commodity economic conditions, and is a manifestation of an economic relationship in which the economic rights demanded by socialist laborers being the means of production, conform with their economic interests resulting from such possession. In this way some of the fixed assets of enterprises under ownership by the whole people with be transferred to enterprises by assessing their prices and allowing staff members and workers to buy shares. The state will set up share control companies, and an enterprise mode will be formed in which the state, the enterprise, and the laborer will jointly run enterprises This plan will not change the nature of the state ownership system but will help form a new type of socialist state ownership, as most of the stocks are still in the hands of the state.

However, some participants were of the opinion that although nothing fundamental has happened to the ownership nature of state-run enterprises under the stock ownership system, a great change has taken place in their internal structure. The nature, position, and role of the state, the enterprise, and the laborer are different from each other. Therefore, the contradictions between these different economic mechanisms remain to be solved by the plan.

While discussing these three plans, many participants maintained that although the first plan has some shortcomings, it is more workable than the other two in the present period, because it can prevent social and economic turbulence brought about by ownership structural reform and is beneficial to the establishment of a macroeconomic regulatory system and to the readjustment of the microeconomic base [paragraph continues]

Although the second plan will help secure the position of commodity producers and stimulate enterprises' vitality, the ownership system under this plan determines that the state can only give guidance to economic activities from the superstructure. This, in essence, denies the state's planning function and is very far from the target of China's reform of the commodity economy. In theory, the third plan has many problems, and the participants had great differences of opinion on it. In practice, its implementation relies on external conditions, some of which are not easily obtainable in a short period of time. For example, the full development of the commodity economy, the establishment of a money market system, the perfecting of economic law, and the formation of a monetary management contingent can only be realized in the distant future. Therefore, the stock ownership system can be trial implemented on a long-term basis in some regions and individual enterprises. In addition, an in-depth study of the theory of stock ownership should be carried out along with the trial implementation of this ownership system.

Ownership Structural Readjustment Should be Aimed at Making Rational Arrangements for Ownership Forms

Ownership structural readjustment should be aimed mainly at making rational arrangements for various ownership forms. In other words, a rational proportion between state ownership, collective ownership, semi-socialist ownership, and nonsocialist ownership should be made in light of the actual development of the productive forces. Some participants pointed out that the leading position of public ownership and the leading role of the state-run economy in the national economy have displayed their good points not only in terms of proportion, but also in their equal competition with other ownership forms. If the economy under state ownership is reformed in such a way that its leading role is strengthened, and if individual laborers and dealers who assume responsibility for their losses or profits are given correct guidance and management, there will not be any contradiction with the public ownership system even though the proportion of the gross output value of the economy under nonpublic ownership is increased from 2 to 10 percent. In addition, as the development of the productive forces in China is not balanced, the arrangement of various ownership forms should be made according to the various conditions of the productive forces in different regions, different departments, and different trades.

In arranging different ownership forms, a new understanding should be reached on the role of the collective economy and on its relationships with the state-run economy. Some comrades pointed out that under the present conditions of China's productive forces, the collective and state-run economies constitute the main body of the socialist commodity economy. Like the two wheels of a cart, neither is dispensable and both are equally important. With the development of the socialist commodity economy, these two types of economies should merge into a new economic combine which will finally shift to the form of direct social possession. It will no longer follow the formula of "the small collective economy -- the large collective economy -- the state-run economy." Therefore, the collective and state-run economies should be politically equal and economically beneficial to each other. In addition, as the general level of China's productive forces is still low, the collective economy is more adaptable to the new situation than the state-run economy. It is necessary to correctly understand the position, role, and trend of the collective economy in China's economic development. This is an important condition for rationally arranging different ownership forms.

Similarly, it is necessary to gain a new understanding about the position and role of the individual economy and other nonsocialist economies. Following the profound development of economic structural reform, the individual economy has greatly developed in the urban and rural areas and played a more prominent role in the socialist economy. It has promoted the development of the commodity economy as well as economic prosperity in the urban and rural areas. It has helped expand employment, increase fund accumulation, and promote reforms in state-run and collective enterprises. It has also provided society with conditions for training managerial and technological personnel. Practice has proved that the individual economy can be adapted to different developmental needs of the productive forces.

However, problems in the development of the individual economy should not be overlooked. For example, the income of some individual households is too high, and some of them violate laws, evade taxes, deceive people, and harm the interest of consumers. To solve these problems, it is necessary to perfect economic laws, to improve management, to combine guidance with management, and to give those engaged in the individual economy education about the legal system, cultural knowledge, and professional information so as to improve their political, cultural, and economic quality.

The hiring system in the individual economy is worth studying. Some comrades are of the opinion that it is not good to make a final decision on this problem or to adopt a negative attitude toward it. Relevant policies should be drawn up in line with the role and trend of the individual economy in the development of the socialist commodity economy, and necessary management and guidance should be given so as to absorb its good points and discard its bad ones.

Lateral Economic Integration, an Inevitable Outcome of Ownership System Reform, Will Blaze a New Trail for China's Economic Development

In ownership system reform and structural readjustment, various types of ownership systems have mixed and combined with each other, thereby forming many new cooperative economic types. The emergence of these new economic types has helped form a vigorous developmental trend in the lateral economic integration under different ownership systems.

The emergence of lateral economic integration and of new economic types is an inevitability. Some participants remarked that the fact that China is large, its productive forces are divided into various levels, and its economic development is uneven has caused the great difference between regions, departments, and enterprises in terms of production conditions, technological levels, market capacity, and resources. This difference will cause a flow. But under natural economic conditions, this flow is spontaneous, slow, on a small scale, and sometimes even stops. Under commodity economic conditions, this flow will speed up. In particular in a situation when various localities are invigorating their economies and speeding up their modernization, the flow of technology, resources, products, funds, and talented people should be faster, in greater numbers, and on a larger scale. Therefore, lateral economic cooperation and integration should be arranged in such a manner that they meet this demand. Viewed from production relations, under China's traditional economic structure, the separation of regions from departments and of different ownership forms from each other has seriously hampered the flow of production factors and the rational distribution of resources. Economic structural reform should have a new economic form which can put an end to the separation of departments from regions and of different ownership systems, so as to set up a new economic structure. Lateral economic integration is an inevitable outcome of this demand. Its main characteristic is that it can contain different ownership forms. [paragraph continues]

In other words, ownership by the whole people, collective ownership, individual ownership, and even foreign capital can be components of this economic integration which will give rise to a new economic form and operational method. This integration will help combine the interests of the state, the collective, and the individual. It will also enable different ownership forms to coexist in one economic integration body, thereby forming a new type of closely coordinated ownership structure. Some comrades pointed out that the development of the socialist commodity economy requires a commodity market, a capital market, a labor service market, a technology market, and an information market, through which different regions, departments, and enterprises can carry out the exchange of commodities, the accomodation of capital, the rational transfer of the labor force, the introduction of technology, and the transmission of information. Therefore, the separation of different ownership systems should be broken and various forms of economic integration established. When this economic integration starts between different ownership systems, ownership rights to the production means, capital, and products will take on a diverse nature.

Lateral economic integration has immeasurable positive bearings on the development of the socialist economy. First, the development of lateral economic integration will inject vitality into the economy under ownership by the whole people so that this economy will shift from its role of exerting influence to the role of carrying out internal control. In this economic integration, as the economy under ownership by the whole people occupies capital, technology, resources, and other favorable conditions, it plays a role of a "dragon head." This will lay a reliable foundation for leading and controling production in the socialist direction.

Second, lateral economic integration will blaze a new trail for the development of collective ownership and the cooperative economy. The rural collective economy in China was originally organized according to the natural division of of townships and villages, and the collective economies in cities and towns were set up according to the administrative division of districts and streets. Following the development of the commodity economy, these collective economies, which were formed according to administrative division, found it difficult to cope with the demand of socialized large-scale production. Lateral economic integration will naturally enable these collective economies to break away from the restrictions of administrative division and to expand the scope of their cooperation on the basis of equality and mutual benefit in line with the need for and economic relationships in coordination among specialized units. Various types of new cooperative economies will be formed as a result of the expansion of cooperation in small areas into large-scale cooperation, which inlcudes cooperation at the village, township, regional, and provincial levels as well as cooperation at the international level (such as cooperation in trade, labor services, technology, and capital).

Third, lateral economic integration will help urban and rural economies merge into an organic whole. Lateral economic integration will develop through the combination of urban an rural areas and of the workers and the peasants. On the one hand, urban large industry will be expanded so as to build workers-peasant jointly-run enterprises; to provide the rural areas with capital, technology, and materials for the formation of a processing industry; to develop the rural industry; to improve material conditions for agriculture; to arrange jobs for rural surplus laborers; to improve the peasants' livelihood; and to bring the rural standard of living closer to the urban standard of living. On the other hand, the rural areas can provide more agricultural and sideline products for cities, process parts and components for large industry, and provide sites, factory buildings, and laborers for it, thus making contributions to the development of urban industry. Viewed from the experience of many countries in the world, lateral economic integration brought about by the commodity economy will certainly help urbanize the rural areas and finally eliminate the differences between urban and rural areas.

Lateral economic integration has opened up a new way of thinking which believes that the two public ownership systems will be unified without transforming one into the other and will develop in coordination with each other. The practice of worker-peasant jointly-run enterprises has proven that cooperation and integration can be carried out between ownership by the whole people and collective ownership in terms of shares, capital, technology, products, the labor force, and raw materials. A new type of socialist ownership system at a higher level will be formed when the economic situation of both sides becomes closer, their common interests have taken shape, and their differences become smaller.

RENMIN RIBAO COMMENTATOR ON WORKER QUALITY

HK020405 Beijing RENMIN RIBAO in Chinese 22 Aug 86 p 1

[Commentator's article: "Enhance the Quality of the Contingent of Workers and Staff Members -- Sixth Comment on Rectifying Unhealthy Trends in Trades"]

[Text] There are two shops selling work safety articles in Beijing. With an incorrect guiding ideology in business, one of them often neglects the education of its workers and staff members but wants to make a profit by giving dinner parties and gifts and buying goods in great demand. In the end, it incurs a loss. However, the other shop attaches importance to the education of its workers and staff members, refuses to engage in those dishonest practices, and strives to increase its volume of business on its real strength. Because its business principles are correct, its profits rise steadily. In comparing these two shops, we can see that the unhealthy tendencies have a great bearing on the quality of workers and staff members.

An important aspect of rectifying the unhealthy trends in trades is to constantly increase the quality of the contingent of workers and staff members. However, the leaders of some units do not know the importance of upgrading the quality of the contingent of workers and staff members and do not want to spend time and energy in this aspect. As the workers and staff are not well educated and do not have a good understanding of the principles, policies, and regulations of the state, they often unconsciously violate the law and discipline. As they are not really proficient in and familiar with the vocational work, they are often taken in by lawless and evil persons. Therefore, we often hear that the interests of consumers are impaired. Because they are not very well educated and lack professional knowledge, they cannot handle customer relations properly. As a result, customers are often neglected or insulted. All these have shown that upgrading the quality of the contingent of workers and staff members in trades has become a top priority task. In rectifying the unhealthy trends in trades, the Ministry of Posts and Telecommunicatons focuses on upgrading the quality of the workers and staff of the postal and telecommunication service, so as to ensure a high-quality and effective communications service. They have attained good results and are worth emulating.

In order to improve the quality of workers and staff, first we should, through carrying out effective ideological and political work, make the workers and staff in trades cultivate the thinking of wholeheartedly serving the people, love their own work, strictly observe the rules, regulations and laws of the state, perform their duties honestly, establish the necessary professionalism, rectify the erroneous thinking and practice of using official positions to seek personal gains and "on the mountain on lives by mountain products, near the water one lives by the products of the sea," and perform high-quality service.

However, to improve the work style, we must integrate ideological and political work with vocational work, speak fewer empty words but do more real work, proceed in a down-to-earth manner, attach importance to efficiency and do ideological and political work well and flexibly. Such work should be conducted not only by the political workers but also the factory directors (managers). The should all really perform their duties well.

We should also try hard to upgrade the vocational quality of workers and staff members. The issue of poor vocational quality generally exists in all trades. For example, more than half the workers and staff of the commercial system have yet to be trained. And some new and untrained workers and staff members have made the issue of poor vocational quality more outstanding. Therefore, all the trades should run various short-term courses and step up vocational training, so as to upgrade vocational quality. Meanwhile, all those units which have already set up their relevant vocational senior middle schools, special secondary schools, or technical schools should run their schools well, so as to gradually improve the cultural level of their workes and staff. Only by upgrading the vocational quality can we offer a more civilized service to the society and bring about better economic and social effects. By contrast, low-quality and poor service can only bring losses to the society and affect the pace of the reform.

Of course, to improve the quality of the contingent of workers and staff members, first, the leading organs and cadres should take the lead in improving their own quality. As the proverb says, "There are no weak soldiers under a capable general" -- so only good quality leaders can lead a good contingent of workers and staff members.

When all these issues are resolved and all trades have workers and staff who have a correct vocational guiding ideology and noble professionalism and are proficient in the vocational work of their own trade, it will be difficult for the unhealthy tendencies to proliferate.

LIAOWANG ON PRC'S ECONOMIC LAW DEVELOPMENT

HK100201 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 35, 1 Sep 86 p 3

[Article by LIAOWANG reporter: "Gu Ming, Director-General of the State Council Economic Legislation Research Center, Talks About the Present Status and Task of Building China's Economic Legal System" -- capitalized passages published in boldface]

[Excerpts] Editor's note: This year's LIAOWANG No 4 carried a special report entitled "China Is Putting Its Economic Legislation on a Sound Basis Step by Step," which gave the readers and overview of China's economic legislation. Half a year has passed since then, and China has made new progress in building its economic legal system. Some important laws and regulations concerning foreign economic relations have been drawn up, while economic judicature has been gradually strengthened. In this issue we have featured a series of special reports to brief our readers on the new development in China's economic legislation. [end editor's note]

Recently when talking about the development of economic legislation in China, Gu Ming, director-general of the Economic Legislation Research Center of the State Council, pointed out: The development of economic legislation in China in the past few years has guaranteed the smooth progress of the reform of the economic structure and given an impetus to the process of socialist modernization.

Gu Ming first reviewed the basic development of economic legislation in China in the past few years. He said: China has mended its pace in building its economic legal system since 1979. As far as economic legislation is concerned, the NPC Legislative Affairs Commission specially set up an economic law office, while the State Council established its econoic legislation research center in 1981. The "1982-1986 Plan for Economic Legislation" was drawn up, which includes a total of 145 sets of laws, rules, and regulations. More than 70 sets of these laws, rules, and regulations had been promulgated by late last year, and the drafts of the rest have also been available. From 1979 to the first half of 1986, the National People's Congress, the NPC Standing Committee, and the State Council promulgated a total of more than 430 sets of laws, rules, and regulations, of which more than 340 sets are related to economics. In other words, nearly 60 sets of laws, rules, and regulations are promulgated every year on the average, and the proportion of economic laws, rules, and regulations amounts to 80 percent. [passage omitted]

Talking about the future tasks of economic legislation in China, Gu Ming pointed out: At present, the central task of economic legislation is to serve the reform of the economic structure and the policy of invigorating the economy at home and opening up to the outside world. In light of our practice in the past few years, the economic legislation work should in the main fulfill the following tasks:

First, IT IS NECESSARY TO PUSH AHEAD ECONOMIC LEGISLATION IN A PLANNED WAY. The CPC Central Committee's proposal on the Seventh 5-Year Plan pointed out: It is necessary to make the legal system an important tool to regulate economic relations and activities and it is necessary to strive to build up a relatively sound economic legal system during the Seventh 5-Year Plan period. In order to make use of the economic legal system as a means of guaranteeing the fulfillment of all goals of the Seventh 5-Year Plan, we are working out a "plan on economic legislation for the Seventh 5-Year Plan period" in accordance with the CPC Central Committee's decision. This plan will comprise the following three aspects: 1) The legislation that will expedite and ensure the in-depth development of the economic structural reform; 2) the legislation that will expedite and ensure the process of further opening up to the outside world; and 3) the legislation that will help invigorate the key industries for economic development during the Seventh 5-Year Plan. According to the draft of this plan, a total of more than 150 sets of laws, rules, and regulations are to be drawn up. It will take 5 years to establish the framework of the economic legislation system, and then another 5 years to perfect the system step by step.

Second, IT IS NECESSARY TO ESTABLISH A LEGISLATIVE PROCEDURE SO AS TO MAKE LEGISLATIVE WORK STANDARDIZED. At present, legislative work is diversified. We have prepared a mere list of titles of the laws and regulations to be drafted but do not have any drafting outline. As a definite guideline for legislation is not available, our law drafters are working independently without centralized guidance. This has caused many problems. In order to solve these problems, it is necessary to draft a "law on the procedure of legislation examination and approval." On the other hand, it is also necessary to solve an ideological problem, namely, the necessity of fully soliciting the opinions of various circles and reaching an unified understanding before a law is drafted. It will be very difficult to have the unanimous consent of all units and people when drafting some laws. Legislation is the collective display of the state's will and must keep strictly in line with state policies. Therefore, it is necessary to establish a procedure in the interests of the state and according to the party's principles and policies so as to ensure that legislative work will be carried out with high efficiency and with as few steps as possible. In general, the examination and approval of the drafts of ordinary laws should follow the principle of being adopted upon a majority of affirmative votes as is written in the constitution. Those who do not cast affirmative votes are allowed to have reservations. The drafting of economic laws and regulations is a pressing task. [paragraph continues]

Those laws and regulations which need to be promulgated must be promptly promulgated and those which need to be revised must be revised promptly. If we fail to formulate policies according to the changing circumstances and thus miss the opportunity then some factors unfavorable to economic development will evolve, or severe losses will possibly be caused.

Third, IT IS NECESSARY TO APPROPRIATELY EXPAND THE POWER OF LAW MAKING VESTED IN PROVINCIAL, AUTONOMOUS REGIONAL, AND MUNICIPALITY GOVERNMENTS AS WELL AS THAT OF KEY CITIES. In view of our country's vast territory and the wide gap between different parts of the country in their economic and productivity levels, our legislation work must have a certain degree of flexibility. Some localities badly need to promulgate some rules and regulations which, however, seem inappropriate to be promulgated as state laws for the moment. In such cases, those localities can promulgate these rules and regulations for local implementation; they can then be upgraded as state laws later when the conditions are ripe. A resolution adopted by the third session of the sixth National People's Congress provided: "The State Council is authorized to draw up and enact, when it is necessary, interim rules and regulations to deal with issues relating to the economic structural reform and the policy of opening up to the outside world, in accordance with the Constitution and on the premise that they will not contradict the relevant laws and the relevant decisions adopted by the National People's Congress and its Standing Committee. Those interim rules and regulations, which have been verified through practice, should be turned into laws by the National People's Congress and its Standing Committee when the conditions are ripe."

Fourth, IT IS NECESSARY TO STEP UP THE SORTING OUT AND COMPILATION OF LAWS, RULES, AND REGULATIONS. Our laws, rules, and regulations have never been thoroughly sorted out in the past 30-odd years since the founding of the PRC. There are contradictions between the old and newly promulgated laws and this is very unfavorable to the on-going reform. More than 10 departments, under the State Council have engaged in the sorting of laws, rules, and regulations. And the result shows that 40 to 50 percent of the existing laws, rules, and regulations have to be abrogated, 20 to 30 percent have to be revised, and only about 30 percent do not contain any article contradictory to the Constitution, the existing legal system, and the state's principles and policies. Now the State Council, all ministries and commissions, and all provinces, autonomous regions, and municipalities are working intensively to sort out the laws and regulations they have promulgated. The work was started about 2 years ago and most departments and areas are expected to accomplish the task by the end of this year. For example, the Ministry of Finance has finished sorting out a total of more than 3,000 sets of rules and regulations and announced the annulment of more than 2,000 sets of rules and regulations. All laws currently in effect should be compiled into book form so that they are readily available.

Fifth, IT IS NECESSARY TO CONSCIENTIOUSLY ENFORCE ECONOMIC LAWS AND REGULATIONS AND STRENGTHEN SUPERVISION AND INSPECTION. Although China has promulgated a large number of economic laws, rules, and regulations, slackness in implementation is a common practice. Therefore, it is necessary to clearly define in the promulgated economic laws the departments in charge of enforcement of these laws. Attention has been paid to this problem in the formulation of economic laws and regulations in recent years. However, those economic laws and regulations which had been promulgated long ago contain no articles defining the law enforcement departments; this often leads to overlapping administration, the practice of shifting responsibilities onto each other, or even repeated disputes over trivial matters.

Clearly defining the departments enforcing economic laws and regulations has the following advantages: 1) some people are specially appointed to deal with violations of the law and thus the sanctity of the law is protected; 2) the workload on judicial organs can be reduced; and 3) it can help to protect the legitimate economic interests of the parties concerned and ensure that the commodity economy will develop along the right track.

It is necessary to strengthen supervision and examination of the implementation of economic laws and regulations. At the moment, we have no special government agencies to take charge of supervising and examining promulgated economic laws and regulations, therefore the information about the implementation of economic laws and regulations cannot be fed back. For example, the promulgation of the "forest law (for trial implementation)" failed to check denudation of forests, thus the CPC Central Committee and the State Council were forced to send special groups and the Central Discipline Inspection Commission had to issue circulars to proscribe such practices. In the past few years following the promulgation of the "Law on Economic Contracts," this law has played a great role in preserving the social economic order and protecting the legitimate rights and interests of the parties concerned. The development of the economic situation in recent years, however, has put forth a more and more pressing need for a revision of some articles of this law. Therefore, in order to reinforce the socialist legal system, we badly need to set up or appoint some specific agencies under the National People's Congress, the State Council, various departments, and localities to monitor the implementation of laws and regulations, and to supervise and examine the enforcement of economic laws and regulations; to study issues arising from the implementation of economic laws and regulations, collect and sort our relevant information, and thus provide grounds for regularly supplementing and revising laws by legislative organs.

Sixth, IT IS NECESSARY TO SPEED UP BUILDING OF THE ECONOMIC LEGAL SYSTEM AND THE LEGISLATION WORK, AS WELL AS THE TRAINING OF QUALIFIED PERSONNEL.

We should never indiscriminately copy foreign countries' economic laws. We can use foreign laws and experience for reference. But, after all, we have to formulate our own socialist economic laws with Chinese characteristics, based on our own principles and in light of China's actual circumstances. The capitalist legal system has been developing for 2 to 3 centuries, but now we must strive to establish a sound socialist legal system and a complete set of economic laws in several decades.

In order to step up the legislation work, strictly enforce the law, and put our economic legal system on a sound basis, the key lies in the rapid and massive training of qualified personnel. The economic legislation covers the legislation relating to the scientific and technological field which requires highly professional qualifications and the efforts of a large number of competent people who are equipped with economic, scientific and technological, as well as legal knowledge. It is necessary to train qualified personnel through various channels ranging from normal schooling to spare time education. But, in the main, different walks of life will have to rely on themselves for training of their own qualified personnel. Only in this way can we give an impetus to and guarantee the smooth progress of the economic structural reform, and thus accelerate the modernization program.

LABOR MINISTER COMMENTS ON CONTRACT SYSTEM

OW100740 Beijing XINHUA in English 0607 GMT 10 Sep 86

[Text] Beijing, September 10 (XINHUA) -- China's contract system for new workers is "fundamentally different" from the hiring systems of capitalist economies, Minister of Labor and Personnel Zhao Dongwan said today.

"In capitalist countries, the movements of workers are determined by market interests, but in China our policies take into account the interests of the state, individual workers and the people as a whole," Zhao told XINHUA. "The new hiring system is based on public ownership of the means of production, and the rights of all parties are legally protected."

The new contract system will affect most new workers in state enterprises and departments hired from October 1, ending the decades-old system under which government officials assigned people lifetime jobs. Instead workers and employers will sign contracts for terms that vary from enterprise to enterprise, which either party can elect not to renew.

The 67 million workers in state enterprises hired before October 1 will not be affected by the reform because "China's planned, socialist commodity economy requires that the lion's share of the country's non-agricultural work force remain stable," said Zhao. But at the same time, he said, "the new economy also requires that a small portion of the work force be allowed to circulate in an appropriate way."

This circulation is necessary for China's economy to develop, he said. "The old system had a useful role in helping people find jobs and in the country's economic construction as a whole, but now it has proven an obstacle to vitalizing enterprises and tapping workers' abilities." The introduction of the new system will "certainly meet with difficulties and obstacles," according to the minister. "But I believe it will play an increasingly important role in arousing workers' enthusiasm and improving the management of our enterprises."

ELECTRONICS INDUSTRY SEEKS FOREIGN COOPERATION

OW101033 Beijing XINHUA in English 1023 GMT 10 Sep 86

[Text] Beijing, September 20 (XINHUA) -- China's long-term strategy in developing her electronics industry is to strengthen friendly cooperation with foreign countries based on equality and mutual benefit, a senior official said here today.

Speaking at a meeting attended by foreign diplomatic envoys and company representatives, vice-minister of the electronics industry Xie Gaojue said that China's electronics industry needs big help from the outside world. "It is impossible to meet home market needs with a large quantity of imports on a long term basis because our domestic market is enormous and foreign exchange deposits are limited," he stated.

Therefore, he added, "We are willing to cooperate with foreign countries in different ways, such as to combine commercial business with technology transfer, production with sale, import with export, or through barter trade and processing products according to materials and samples provided by foreign partners. Joint ventures and solely foreign-owned enterprises are also possibilites."

During the Seventh Five-Year Plan period beginning this year, the vice-minister disclosed, color tv tubes, video recorders, digital switching equipment, integrated circuits and computers as five key import items designated by the state.

On these items with emphasis on technology transfer, he said, negotiations are going on, contracts are being discussed and foreign partners are being sought. Over the past few years, China's electronics industry has imported more than 1,300 technological items, valued at 1.4 billion U.S. dollars, for building new projects and upgrading existing enterprises.

China has a good beginning in the export business, the vice-minister said. "While exporting our electronic goods and technology, we can also provide labor services," he added. Definitely, Xie stressed. "We will not become direct competitors against our foreign partners."

"China is a big country with a huge population," he explained. "Meeting the urgent needs for electronic products by national construction has constituted a long and arduous task for the country's electronics industry."

Comments on Basic Education

OW101846 Beijing XINHUA in English 1438 GMT 10 Sep 86

[Text] Beijing, September 20 (XINHUA) -- A special fund was set up today to give awards to outstanding primary, middle school and kindergarten teachers in a bid to encourage the nearly 10 million such teachers in the country to devote themselves to their careers. This was announced by Vice-Premier Li Peng at a meeting held here today to mark national Teachers Day.

"It will become the country's long-term policy to reward advanced teachers and all those who are engaged in educational undertakings," he said.

The foundation is a national mass organization made up of leading personalities, both at home and abroad, who are concerned with the country's education. Wang Zhen, vice-chairman of the Central Advisory Commission, was elected director of the foundation.

According to the constitution of the foundation, it will raise its funds mostly through donations by the public while also receiving financial support from the government. All the money raised by the foundation will be put into the industrial and commercial bank, and the interest will be used to award outstanding primary, middle school and kindergarten teachers.

The constitution also says that the foundation will publish lists of such teachers every two years.

LI PENG COMMENTS ON 'GOAL OF BASIC EDUCATION'

OW101919 Beijing XINHUA in English 1449 GMT 10 Sep 86

[Text] Beijing, September 10 (XINHUA) -- Bureaucracy, inefficiency and overcentralizaion of power still plague China's educational departments, a senior Chinese leader said here today. "It will be impossible to promote the country's basic education and implement the law on compulsory education unless these problems are solved," Vice-Premier Li Peng warned.

Li was speaking at a national meeting to cite advanced teachers and units held here today.

Today is China's National Teachers Day.

The goal of basic education, Li noted, is to raise the intellectual quality of the whole nation and to train a large number of qualified people for the country's economic construction. Therefore, initiative from every sector of society must be brought into play, he said.

More than four billion yuan was raised for educational purposes through various channels last year, according to statistics provided by the State Education Commission. Since the passing of the law on compulsory education at the fourth session of the sixth National People's Congress last April, he went on, the State Council has adopted a number of policies and a series of measures to reform the country's educational system, increase funds and improve conditions for teaching and teachers.

In addition, local governments at all levels have become more enthusiastic about education, and more people, including Overses Chinese, are now willing to contribute to educational undertakings. However, Li pointed out, compulsory education in different areas should be achieved through the application of different standards and according to different schedules. Blind pursuit of high speed must be discarded, he said.

More than 1,000 advanced teachers and 100 counties which have done well in spreading elementary education were cited at today's meeting.

ZHAO ZIYANG WATCHES PRC-MADE HYDROPLANE'S FLIGHT

OW100607 Beijing Domestic Service in Mandarin 2130 GMT 2 Sep 86

[Text] According to a JIEFANGJUN BAO report, a pilot of a certain unit of the naval air force flew a first-generation hydroplane developed by our country in a demonstration conducted for Premier Zhao Ziyang and his party on their inspection tour of the unit. That silver hydroplane was designed and manufactured by our country, with all its parts made in China. The plane's successful development has made things convenient for our armed forces, has filled in some gaps in aircraft manufacturing, and has strengthened the fighting capability of our naval air force. Before the demonstration, Premier Zhao climbed into the cockpit, where he asked about the plane's development and functions. A deputy regimental commander and special-grade pilot said: Flying a PRC-made first-generation hydroplane makes me feel better than flying an imported one of its kind.

After the flight demonstration, Premier Zhao repeatedly said: "Wonderful flight, wonderful flight."

FANG YI COMMENDS NEW ORE DRESSING TECHNIQUE

OW100431 Beijing XINHUA Domestic Service in Chinese 2309 GMT 5 Sep 86

[By reporters Mao Chunli and Wei Youlin]

[Excerpt] Hohhot, 6 Sep (XINHUA) — Chinese scientists and engineers have recently achieved remarkable results in using a unique ore flocculation technique to experiment with industrial ore separation on a large scale at the Boatou Iron and Steel Company. This achievement is a breakthrough for China in its technology for separating mineral intergrowth.

At a work meeting on the science and technology for comprehensive utilization of mineral resources of the Baotou Iron and Steel Company held on 29 August, Comrade Fang Yi called on scientists and engineers to continue to exert themselves in applying the new ore flocculation technique to industrial production and exploiting the mineral resources in a comprehensive manner in order to build the Baotou Iron and Steel Company into an important base for producing iron, steel, rare earth metals, and niobium for China. [passage omitted]

Attends Smeltry Opening

OW100347 Beijing XINHUA Domestic Service in Chinese 1504 GMT 8 Sep 86

[By reporter Xi Yongnian]

[Text] Lanzhou, 8 Sep (XINHUA) -- Work to build China's biggest lead-zinc smelting plant began today at the Baiyin Nonferrous Metal Corporation in Gansu. Construction of the Baiyin aluminum plant also began at the same time. Fang Yi, member of the CPC Central Committee Political Bureau and state councillor, attended the ceremony to inaugurate these two projects.

Both plants are key construction projects in China's Seventh 5-Year Plan. The first-stage work, with a total investment of 720 million yuan, is expected to be finished by the end of 1988. After the completion of all work on these projects in 1990, the nonferrous metal output of the Baiyin Nonferrous Metal Corporation will exceed 300,000 metric tons. This will have a significant effect on the development of our country's raw and semifinished materials industry. The main equipment for the Baiyin corporation's northwest lead-zinc smelting plant and Baiyin aluminum plant will be imported from abroad and is of world standards of the late 1970's and early 1980's.

Discusses Gansu Economy

HK100225 Lanzhou Gansu Provincial Service in Mandarin 2200 GMT 9 Sep 86

[Text] Fang Yi, member of the Political Bureau of the CPC Central Committee and state councillor, held a forum with leading comrades of Gansu Province on 9 September on how to exploit the abundant nonferrous metal resources of Jinchuan, make use of rare-earth microfertilizer in agriculture, and raise capital for speeding up the province's economic development.

This is comrade Fang Yi's eighth visit to Gansu, and he is relatively familiar with the province's conditions. After fully affirming the successes of Gansu's work, he discussed questions of developing and building the provice with the leading comrades: He said: Nonferrous metal is a major pillar of Gansu. In particular, Jinchuan is unique, with large ore reserves of fine quality. You must continue to work hard to step up the prospecting of new mineral resources there.

Comrade Fang Yi also said: Gansu has abundant sources of electric power. This is its biggest attraction. You must speed up the exploitation of the Huang He. If there is electric power, there will be no shortage of people coming to invest in Gansu. You can adopt the method of issuing shares to attract outside, local, and private capital. The existing industrial bases should be used to engage in comprehensive exploitation of resources, energy, and various sectors.

On the agricultural question in Gansu. Comrade Fang Yi suggested that rare-earth microfertilizer be used to speed up grain production. He said: The Hexi corridor covers a broad area and it has ample water resources and fertile land. There are excellent prospects for agricultural development there. Given this, plus the industrial development of Jinchuan and the Jiuquan Iron and Steel Company, it is completely possible for the area to turn into a developed economic area like California in America.

Provincial leaders present at the forum were Li Ziqi, Huang Luobin, Liu Bing, Jia Zhijie, Lu Kejian, Ma Zualin, and Wang Jintang. Also present were responsible comrades of the provincial economic, construction, science and technology, and agricultural commissions.

DENG XIAOPING INSCRIBES TITLE OF BOOK ON MAO

OW100549 Beijing XINHUA Domestic Service in Chinese 0030 GMT 8 Sep 86

[Excerpts] Beijing, 8 Sep (XINHUA) -- "Reading: Mao Zedong's Hobby," a book published by Sanlian Bookstore, will be on sale across the nation from 9 September.

The book was compiled by Gong Yuzhi, Feng Xianzhi, and Shi Zhongquan of the Party Literature Research Center of the CPC Central Committee.

Deng Xiaoping inscribed the title for the book.

GUANGDONG'S LIN RUO ATTENDS CIVIL LAW COURSE

HK101220 Guangzhou Guangdong Provincial Service in Mandarin 0900 GMT 9 Sep 86

[Text] This afternoon, the provincial party committee ran a course of lectures at the (Zhudao) Guesthouse on the general principles of PRC Civil Law. A total of 300 people including provincial party committee Secretary Lin Ruo; leading comrades of the provincial party committee, provincial Advisory Commission, provincial People's Congress Standing Committee, provincial government, provincial CPPCC Committee, and provincial Discipline Inspection Commission; and responsible comrades of all departments, commissions, and offices of organs at the provincial level, attended the course which was conducted by (Long Jizhi), vice president of the Civil Court of the provincial court.

Leading comrades at all levels in the province have taken the lead in studying law in the course of popularizing elementary legal knowledge. Since the beginning of this year, they have attended a course of lectures on elementary legal knowledge, including the Constitution, Criminal Law, the Law of Economic Contract, and General Principles of Civil Law.

GUANGDONG HOLDS TEACHERS DAY FORUM 8 SEP

HK100534 Guangzhou Guangdong Provincial Service in Mandarin 0900 GMT 8 Sep 86

[Excerpts] This afternoon, the provincial party committee and provincial government held a forum in the banquet hall of the Guangdong Guesthouse to fervently mark 1986 Teachers Day. Responsible comrades of the provincial party committee and provincial government, including Lin Ruo, and representatives of provincial special grade teachers and of teachers in Guangzhou, totaling some 400 people, attended the forum. On behalf of the provincial party committee and provincial government, Vice Governor Wang Pingshan spoke at the forum. [passage omitted]

Comrade Wang Pingshan said at the forum: Since the first Teachers Day last year, leaders at all levels of our province have vigorously helped teachers get rid of worries and resolve difficulties so that the teachers' livelihood, welfare work, remuneration, and working conditions have improved to a certain extent. It is hoped that party committees and governments at all levels will continue to put education in an important strategic position, further find out the weak links in the work of respecting teachers and attaching importance to education, and vigorously take measures to really solve them. All trades and professions must contribute vigorously and on their own initiative toward resolving the practical difficulties of teachers.

Wang Pingshan also hoped that the teachers would further be faithful to the people's education cause and train still more qualified personnel for the four modernizations of our motherland. [passage omitted]

CHONGQING STARTS FIRST STOCKHOLDER-OWNED FACTORY

OW101328 Beijing XINHUA in English 1213 GMT 10 Sep 86

[Text] Chongqing, September 10 (by XINHUA correspondent Xu Yidao) -- Chongqing, a pioneer of China's economic reforms, has started its first stockholder-owned factory, officials here told XINHUA today. Set up a year ago, Baishiyi Feather Factory is already showing profits, and has imported a production line from Federal Germany. It has a staf of 83, and 2,500 peasants in Baishiyi town are doing sewing, embroidery and other work for the factory at their homes.

Unlike government-owned factories set up with state allocations, it was started with 3.24 million yuan (880,000 U.S. dollars) from the shareholders including one state-owned commercial company, three collective enterprises and individuals.

While enjoying dividends when the factory makes profits, the officials added, the shareholders share the losses when it is in the red. In contrast, it is only in recent years have government-owned factories begun experimenting with a new system under which they are responsible for their own profits and losses, while retaining a portion of what is left for their own use after paying taxes.

This new economic form, said the officials, is designed to find ways of avoiding such pitfalls as "let every body have a share in common rice pot"-- meaning total dependence of factories on the government for funds to cover their losses. It also aims at changing the existing practice of prohibiting direct individual investment and the transfer of funds beween state-run, collective and individual enterprises. The factory is controlled by a board of directors, who have the sole power to organize production and business operations -- also part of the city's experiment to get rid of the excess administrative interferences to the management of factories.

The state has designated Chongqing, the leading industrial and business center in southwest China, and other cities, including Shenyang in the northeast and Wuhan in central China, to go first in finding ways to restructuring China's rigid economic system. The bulk of the funds for starting the feather factory came from the state and collectively-owned factories, the officials said. Indivdual shareholders -- mostly peasants in Baishiyi town -- each contributed 2,000 to 4,000 yuan to the funds. In return, they became permanent workers in the factory for higher income. In addition to promoting the town's prosperity, the officials said, the factory has benefited peasants in 20 surrounding counties, who sell to it live ducks and feathers.

CHONGQING CITY GIVES PLANT MANAGERS FIVE POWERS

HK101450 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 9 Sep 86

[Text] The plant manager responsibility system has been instituted in all enterprises in Chongqing City. The city party committee and government have clearly pointed out that managers naturally play the central role in enterprises and that the key to implementing the plant manager responsibility system lies in truly exercising managers' power. Chongqing City has thus decided to confer five powers on plant managers.

1. Managers have the power to decide on operation policies, long-term plans, annual plans, and important technological transformation plans for the enterprises.

2. Managers have the power to decide on or put forward suggestions on the formulation, revision, and abolition of rules and regulations within enterprises.

3. Managers have the power to decide on establishment and the readjustment of organs within enterprises.

4. After consulting with higher authorities and party committees at the same level, managers have the right to appoint and dismiss deputy managers and middle-level executives in their enterprises. When there is divergence of opinion between the party committee and the manager of plant, the manager has the final say.

5. Managers have the power to reward and punish staff and workers in their enterprises according to the relevant regulations.

No units or individuals are allowed to flagrantly interfere with the five powers.

XIZANG'S BAINQEN INSPECTS JOMDA COUNTY

HK101328 Lhasa Xizang Regional Service in Mandarin 1130 GMT 9 Sep 86

[Excerpts] While inspecting Jomda County on 6 September, NPC Standing Committee Vice Chairman Bainqen Erdini Qoigyi Gyaincain delivered an important speech on the party's religions policy and on the issue of the masses getting rich.

On the morning of 6 September, after listening to reports by the Jomda County CPC Committee, county People's Congress Standing Committee, county people's government, and county CPPCC Committee, NPC Vice Chairman Bainqen said: Xizang is basically a region where all people profess a religion. Under the influence of the ultra-leftist trend of thought in the past, for a certain period of time, the region adopted the principle of restricting, weakening, and even eliminating religions. Practice has proved that this principle is wrong. The Communist Party always corrects an error when it becomes aware of it. The Communist Party has now restored the policy of freedom of belief in religions. That is why the Communist Party is great. [passage omitted]

In the afternoon, NPC Vice Chairman Bainqen held a forum with personages of various circles from Jomda County. NPC Vice Chairman Bainqen said: Of the personages present here today, many are representatives from various religious sects. No matter what religious sect we belong to, when we trace the source, we are the followers of Sakyamuni, founder of Buddhism. The aim of our religious doctrine is to universally redeem all people. Therefore, all religious sects must learn from each other, do a good job in unity, and seriously implement the principle of loving our country and religion. All lamas must support the leadership of the Communist Party and socialist system and contribute toward the building of two civilizations in Xizang.

After hearing that a fairly large number of people in Jomda County have not yet been basically lifted out of poverty, NPC Vice Chairman Bainqen put forward: We must firmly establish the idea that the Tibetan nationality should not be divorced from the Han nationality. However, we must understand that we cannot live on aid forever. [passage omitted] We must work hard on improving our nationality outlook.

HEBEI PARTY SECRETARY INSPECTS DISASTER AREAS

SK100215 Shijiazhuang HEBEI RIBAO in Chinese 29 Aug 86 p 1

[Text] From 23 August to today, Xing Chongzhi, secretary of the provincial party committee, Xie Feng, governor, Hong Yi and Song Shuhua, vice chairmen, and responsible comrades of the relevant provincial government departments went deeply into the disaster areas in Zhangjiakou Prefecture to express sympathy and solicitude for the cadres and the people of the disaster areas, to jointly study measures for production, relief, and the antidisaster fight together with the local cadres and the masses, and to encourage the broad masses of cadres and the masses in the disaster areas to break a new path for developing commodity production through conducting relief activities in an effort to promote economic development and to strengthen antidisaster capacity in the future.

Zhangjiakou Prefecture has been hit by unprecedentedly serious drought this year and most of the localities have been plagued by the disasters of wind, hail storms, flood and insect pests, which have brought serious damage to the agricultural, animal husbandry, grass farming, and forestry sectors. The provincial party committee and government have been very much concerned about the people in the disaster areas Xing Chongzhi, Xie Feng, and Hong Yi, as well as other leading comrades and the responsible comrades of the provincial Financial and Civil Administration Departments, the Scientific and Technological Commission, the Planning and Economic Commissions, the Grain Bureau, and the Agricultural Bank went separately to Shangyi, Kangbao, Guyuan, and Zhangbei Counties in the upland areas, which have been hard hit, to inspect their disaster situation. They visited villages and households, held forums and inquired about the production situation and livelihood of the masses and their salvation measures through production. In addition, they decided to arrange some relief grain, funds, and briquets for the disaster areas with an emphasis on helping some serious disaster-afflicted areas in the upland and flatland.

With regard to this year's relief work, leaders of the provincial party committee and government called for changing the old idea that the state has to take care of everything once a disaster occurs, and mobilizing the masses to rely on their own efforts to save themselves through production. Comrade Xing Chongzhi said: This year's disaster situation in Zhangjiakou Prefecture is the most serious one since liberation. However, it has the most favorable conditions for combating disasters. So long as it mobilizes the masses, it will overcome disasters. Comrade Xie Feng pointed out: Since the implementation of the production responsibility system in Zhangjiakou Prefecture, its masses have become wealthier through years of effort to recuperate and have had a certain capacity to combat disasters. It is necessary to tell the cadres and the masses that the party and the government will care for the disasters, but the most important of all is to exert their own efforts. Their antidisaster capacity will become stronger as long as they show their special prowess.

Leading comrades of the provincial party committee and government called for stepping up the development of the commodity economy through relief work. Zhangjiakou Prefecture, especially the upland areas, are remote and inaccessible. They are deeply influenced by the idea of the small-scale peasant economy and the old habits. Their commodity economy is rather backward since they have been shackled by the "leftist" ideology. Therefore, during the course of providing relief, they should conduct extensive education on opening up more avenues for developing commodity production. [paragraph continues]

It is necessary to organize the people to engage in labor services in other localities for this is an important way not only for increasing income but also enabling them to broaden their views and to bring back to their localities technology, information, and skills for developing township enterprises.

Leading comrades of the provincial party committee and government stressed: Through this year's relief work, we should sum up experiences and find a way to combat and prevent natural disasters. In the face of disasters, all levels of leaders should be clear-minded, find out the weak links in economic development, and further readjust the production setups and the product mix so as to raise their antidisaster capacity. We should display the superiority of natural resources and carry out several key projects in the prefecture through developing joint ventures and cooperative units. At present, in animal husbandry, it is necessary to grasp the breeding of rabbits, sheep, chickens and hogs, especially rabbits and sheep, which give quick results but require small investment and a short breeding period. In agriculture, we should develop intensive farming, and grasp the development of the cottage economy as a strategic measure. In grass farming, we should also carry out intensive farming, and raise the grass output and the capacity for grazing animals. In addition, we should educate the masses for practice economy during the year of disasters and to store grass and grain for bad years in the year of rich harvest so as to make up for poor harvests in the years of rich harvests.

Leaders of the provincial party committee and government called on cadres at all levels to blaze new trails, work in unity and make progress, persist in proceeding with the reality, work creatively, and do a better job in guiding the work of carrying out production through self reliance. In face of serious disasters, the broad masses of cadres should make a big change in their work style. It is necessary to test the cadre and to assess the leading bodies in the course of providing relief. In relief work, we should stress actual results and grasp the work firmly. On no account should we pay attention to partial achievements and seek uniformity while carrying out the work. The relations between the party and the masses and between the cadres and the masses should be closely linked through the relief work and the work style of going deeply to the reality and to the masses on the part of the broad masses of cadres should be developed.

NEI MONGGOL'S SECRETARY CELEBRATES TEACHER'S DAY

SK110214 Hohhot Nei Moggol Regional Service in Mandarin 2200 GMT 10 Sep 86

[Excerpts] On the morning of 10 September, several hundred representatives of teachers of various nationalities happily gathered with some 30 winners of the people's teacher award, who were given the glorious title of national model workers of education departments, to celebrate Teacher's Day. Present at the gathering to joyfully spend the festival with teachers were regional party, government army and CPPCC leading comrades, including Zhang Shuguang, Bu He, Batubagen, Tian Congming, Cai Ying, Xu Lingre, Liu Yunshan, Zhao Zhihong, and Han Ming. [passage omitted]

On behalf of regional party committee and government, Comrade Bu He extended heartfelt festive greetings and the highest respect to the teachers who won the glorious title of national model workers of education departments, and to the 300,000 people's teachers and educators of various nationalities on the education front throughout the region.

After fully affirming the achievements that the education front of our region scored, Comrade Bu He said: To accomplish the four modernizations, we need talented people; to train talented people, we need education; to develop education, we need teachers; and in order for teachers to fulfill the glorious task of training talented people entrusted by the party and state, they need the support of leading persons at all levels, and a good social and work environment. Therefore, leading persons at all levels should, first of all, understand teachers. They should go often to the schools to make friends with teachers, and hold heart-to-heart talks with them to know their work and lives, and help them solve problems. Second, they should respect teachers. The ordinary labor of teachers affects thousands of families, and has a direct bearing on the rise and decline of the state, and therefore should be respected by the entire society. Leading persons should earnestly practice what they advocate, and take the lead in establishing the good habit of respecting teachers and stressing education in the entire society.

Comrade Bu He continued: This year is the first year for implementing the Seventh 5-Year Plan, and next year marks the 40th anniversary of the founding of the autonomous region. Our heavy and complicated tasks call on the masses of teachers and comrades engaged in education work to actively participate in and support reform so that education can better serve economic construction. They should set high demands on themselves, respect themselves, and make unremitting efforts to improve themselves so as to be worthy of the glorious title of engineers of men's souls. [passage omitted]

SHANXI LEADERS VISIT EDUCATION INSITITUTES

HK100227 Taiyuan Shanxi Provincial Service in Mandarin 2200 GMT 9 Sep 86

[Summary from poor reception] Leaders of Shanxi Province and Taiyuan City including Li Ligong, Wang Senhao, and Zhang Weiqing visited various education institutes in the Taiyuan area on 9 September to extend greetings to the teachers on teachers' day.

TIANJIN DISBANDS FIRST NONPERMANENT ORGANS

SK060232 Tianjin TIANJIN RIBAO in Chinese 23 Aug 86 p 1

[Excerpt] In an endeavor to straighten out nonpermanent organs, the municipal party committee and government disbanded the first group of nonpermanent organs, totaling 46.

The municipal party committee and government made the decision to straighten out nonpermanent organs because municipal-level committees, leading groups and offices, and other nonpermanent organs in our municipality are too many and too chaotic, and substantial working organs are established under leading groups to make institutions more unwieldy and overlapping. [passage omitted]

JILIN'S GAO DI ATTENDS TEACHER'S DAY RALLY

SK110558 Changchun Jilin Provincial Service in Mandarin 0930 GMT 10 Sep 86

[Excerpts] A rally for Jilin Province and Changchun City to celebrate the Teacher's Day was ceremoniously held at the auditorium of the provincial guesthouse this afternoon. [passage omitted]

Attending the rally and seated on the rostrum were Zou Shiyan, vice minister of the State Education Commission; Gao Di, secretary of the provincial party committee; Gao Dezhan, deputy secretary of the provincial party committee and provincial governor; Wang Daren, chairman of the provincial Advisory Commission; Xiao Chun, vice chairman of the provincial Advisory Commission; Zhao Xiu, chairman of the provincial People's Congress Standing Committee; Liu Yunzhao, Standing Committee member of the provincial party committee and provincial vice governor; Guan Mengjue, vice chairman of the provincial CPPCC Committee; Chen Xingyin, commander of the provincial Military District; Wu Yixia, secretary of hte Changchun City party committee; Wang Jiatong, mayor of Changchun City; (Wang Li), chairman of the Changchun City People's Congress Standing Committee; and Cui Yuxiang, chairman of the Changchun City CPPCC Committee. Representatives of people's teachers, and responsible comrades of relevant provincial and Changchun City departments were also seated on the rostrum. Comrade Wang Jiatong presided over the rally. [passage omitted]

Comrade Gao Dezhan spoke amid warm applause.

[Begin recording] Comrades, today we happily gather here to celebrate Teacher's Day. On behalf of the Jilin Provincial CPC Committee, the Jilin provincial people's government, the Changchun City party committee, and the city people's government, I now extend warm festive greetings and the highest respect to the participating teachers, and to all the people's teachers and educators who are working diligently on our province's education front. During the past year from the first Teacher's Day till today, our province's education once again witnessed new development. The nearly 300,000 teachers and educators throughout the province, standing at the fore of the education reform, plunged into reform vigorously, acted as persons of exemplary virtue in educating the people, and made tremendous contributions to developing education, and training a generation of new people with ideals, morality, education and sense of discipline. Your diligent labor has won the respect of the people throughout the province. In particular, facing up to the rigid test of the catastrophic disaster that our province suffered this year, the masses of teachers in disaster areas are all the more respected for their lofty communist spirit of serving students and dedication to education with concrete deeds. Teachers, you have been working hard. The party and government are grateful to you. The people are grateful to you. [end recording] [passage omitted]

LIAONING HOLDS RALLY ON DEVELOPING ECONOMY

SK100258 Shenyang LIAONING RIBAO in Chinese 28 Aug 86 p 1

[Text] Expediting the development of the mountainous area in eastern Liaoning, the poverty-stricken area in western Liaoning, and the key grain growing area in northern Liaoning is a strategic task to expand the national economy of our province. All the cadres of provincial organs should enhance their sense of urgency and responsibility, and all departments, units and individuals should make contributions to accelerating the economic development of these three areas. At a rally of cadres at and above the section level of provincial organs held at the Liaoning People's Theater on 26 August, Vice Governor Bai Lichen gave a mobilization report, and Quan Shuren, secretary of the provincial party committee, also spoke.

Bai Lichen said in his report: Holding an irreplaceable strategic important position in the national economic development of our province, the three areas in eastern, western and northern parts are a treasure-house of material resources for our province's economic and social development, an important base of its grain and other diverse production, and a natural defense for its ecological environment. However, due to historical and work reasons, the superiority and potential of these areas have yet to be fully developed, its many problems solved, ecological environment urgently improved, production setup readjusted, scientific and cultural standards upgraded, and poverty changed. In view of such an actual situation, the provincial party committee and government hold that in developing these areas, we should persistently place reform above everything else, take agriculture as a foundation, regard creating a good ecological environment as a basic goal, emphasize exploitation and utilization of the advantage in natural resources, and make a breakthrough in expanding lateral economic cooperation in order to greatly develop the urban and rural integrated economy, enable poverty-stricken areas to achieve affluence at a quicker pace by relying on scientific and technological progress, change the economic features of these rural areas, and make greater contributions to revitalizing the province's economy.

The provincial party committee and government urged: All departments and units under provincial organs should consider the development of these three areas their own glorious responsibility. They should persisently place reform above everything else, and use it to promote development. At present, they should pay paticular attention to seizing the opportune moment to deepen the second step of the rural reform, produce more farm products as commodities, and turn the advantage in products into that in commodities. Through reform, they should eliminate the barriers between different regions and departments, and organize the southern and central Liaoning to carry out lateral economic and technological cooperation in various fields, at various levels and with various forms with the three areas. They should continuously and unswervingly implement the principle that "agriculture is the foundation for the national economy, and make a success of the work to "develop rural industry to subsidize agriculture." This is the basic idea they should adhere to in developing eastern, western and northern Liaoning. As developing these three areas is a very complicated work, they should do a good job in overall planning to make sure that economic development proceeds in a planned and step-by-step manner. Cadres of provincial organs, and scientific, educational and health personnel should be mobilized, organized and sent to the countryside to support the development of these three areas. The provincial party committee and government decided to send 1,000 cadres of party, government and mass organs at the provincial level, their subordinating enterprises and establishments, and scientific, educational and health units in rotation to poverty-stricken counties and villages to work for 1 year to help work. Government organs should conscientiously change their work styles, render better service to the grass roots, and regard good service to the development of these three areas as important content of their efforts to change their work functions and styles, and to successfully carry out political structural reform.

Quan Shuren stressed in his speech that provincial organs should play an exemplary role in expediting the development of eastern, western and northern Liaoning and facilitate the reform of their work, examine their way of thinking, and test their cadres.

The provincial party committee and government urged all the party members and cadres of provincial organs to swing into action to create a new atmosphere in supporting the development of these three areas, and in helping the organs change their ideas and work styles, reform their systems, and improve their work efficiency and service.

LIAONING SECRETARY SPEAKS ABOUT VETERAN CADRES

SK110554 Shenyang Liaoning Provincial Service in Madarin 0930 GMT 10 Sep 86

[Text] The provincial party committee held a meeting on work towards veteran cadres in Shenyang from 7 to 10 September. The meeting thoroughly studied and discussed the issues related to upgrading the understanding of the significance of the work towards veteran cadres, to further making good arrangements for their political life and livelihood, and to conscientiously organize them to continue playing their roles.

Quan Shure, secretary of the provincial party committee, delivered a speech at the meeting. Comrade Quan Shuren said: As of now, our province has about 110,000 retired cadres. Of this number, about 50,000 were retired from the units at or above the county and section levels, and about 10,000 possess professional skills. They are key forces in facilitating the progress of our province's undertakings. Along with the increased number of retired cadres and the changes in the structure of veteran retired cadres, from now on, the party and government departments at all levels should conscientiously make good arrangements for the veteran cadres' political life and livelihood, and make efforts to correct the wrong tendencies of paying no attention to the work towards veteran cadres on the ground of being too busy and having heavy duties, and should not regard the work as an unnecessary burden.

LIAONING SECRETARY AT TEACHERS DAY CELEBRATION

SK110432 Shenyang Liaoning Provincial Service in Mandarin 0930 GMT 10 Sep 86

[Text] Shenyang City held a meeting to celebrate the 1986 annual Teachers Day at the Nanhu Theater on the morning of 10 September. Leaders of Liaoning Province, the Shenyang Military Region, and Shenyang City, and more than 1,000 teachers gathered in the same hall to celebrate Teachers Day. At the meeting, the state, the province, and Shenyang City respectively conferred honorary titles of model workers and advanced units emerging from respecting teachers and stressing education upon 1,033 fine teachers and 127 advanced units.

On behalf of the provincial party committee, the provincial government, the Shenyang City party committee, the city government, and the people from all circles, Li Zemin, deputy secretary of the provincial party committee and secretary of the Shenyang City party committee, expressed heartfelt thanks and lofty respect to the vast number of teachers assiduously working in the educational forefront line.

Li Zemin said: Teaching is a job of paying tribute to others. Teachers should enjoy the respect, love, and esteem of the entire society because they are working with a noble spirit of sacrificing their own interests in the educational forefront line. Teachers have not given up their aspirations although they were in straitened circumstances for a long period of time. Now in the days of full flourish, they should further bring their role into play.

On behalf of all teachers, (Yang Shilin), a state model worker on the educational front, a winner of the people's teacher award, and associate professor of the hospital attached to the China Medical College, delivered a speech.

Attending the meeting were leading comrades of the province and the Shenyang Military Region, including Quan Shuren, Liu Zhenhua, Li Changchun, Dai Suli, Zhang Zhende, and Xu Shaofu.

SHAANXI CPC SECRETARY ATTENDS TEACHERS' MEETING

HK091207 Xian Shaanxi Provincial Service in Mandarin 2330 GMT 8 Sep 86

[Excerpts] On the eve of Teachers' Day, the province's higher education system and Television Broadcast University respectively held meetings to commend some schools, teachers, and students. Bai Jinian, secretary ofthe provincial party committee and Zahan Ze, director of the provincial Advisory Commission, respectively delivered enthusiastic speeches at the two meetings. They extended holiday greetings to all teachers in the province. [passage omitted]

In his speech, Bai Jinian stressed that the Television Broadcast University is an important channel for training talented people. The province's Television Broadcast University has become the largest university in the province, playing an active role in upgrading the quality of staff members, workers, and cadres in the province. He hoped that leaders at all levels would attach importance to the Television Broadcast University and that all the relevant departments in society would support the Television Broadcast University, so as to ensure healthy development of Television Broadcast University education. [passage omitted]

HEYANG, SHAANXI PARTY RECTIFICATION SUCCEEDS

HK100530 Xian Shaanxi Provincial Service in Mandarin 2330 GMT 8 Sep 86

[TExt] Heyang County has done a good job in village-level party rectification. It was endorsed and praised by the Central Commission for Guiding Party Rectification. Heyang County is an experimental county in the province for village-level party rectification. Village-level party rectification in the county began at the beginning of October last year and ended successfully at the end of April this year.

By drawing a lesson from the previous mistake of frequently launching movements, the county carried out village-level party rectification prudently with stress on unity and focused the party rectification on raising the consciousness of party members in rural areas. On this basis, party organizations at all levels in the county have seriously investigated and dealt with the malpractices of seeking private interest by taking advantage of one's power and serious violation of discipline and laws. In carrying out village-level party rectification, they treated the problem of illegal occupation of arable land, about which the masses complained most, as a breakthrough and corrected in a short time 3,100 cases of illegal occupation, buying, and selling of arable land. They also investigated and handled fianical problems in rural areas and punished cadres who made serious mistakes. The cadres who were punished accounted for 1.4 percent of the total cadres in the county.

In carrying out village-level party rectification, Heyang County has paid attention to simultaneous rectification and correction of defects. Some areas have solved some prominent problems in people's production and daily life, and done some practical things: 1) The county has achieved good results in afforestation. 2) The county has revamped and expanded some 410 km of local highroads and roads. 3) The county has built or revamped 92 irrigation ditches and 134 water conservancy installations.

XINJIANG LEADERS ATTEND LEADERS DAY RALLY

HK101406 Urumqi Xinjiang Regional Service in Mandarin 1200 GMT 9 Sep 86

[Excerpts] On the afternoon of 9 September, the People's Auditorum was well decorated. People were dancing and laughing with joy, adding to the gaiety of the festival. With a feeling of immeasurable joy, over 2,000 teachers and students representatives from the Urumqi area, and foreign teachers working in Xinjiang, happily attended a rally organized by the regional party committee and people's government to mark Teacher's Day.

Wang Enmao, vice chairman of the National CPPCC Committee and director of the regional Advisory Committee; regional party, government, and Army leaders Song Hanliang, Tomur Dawamat, Li Shoushan, Zhang Sixue, Ba Dai, Shi Geng, (He Xiazhi), (Hai nei ye mu si la fu), Tuerjin Atawula, and (De mi tuo fu); and (Gao Ming), party group secretary and adviser to the National Educational Trade Union Federation, attended the rally and celebrated Teachers Day with teachers and students of various nationalities. [passage omitted]

Regional party committee secretary Song Haniang delivered an enthusiastic speech at the rally. [passage omitted]

MACAO TALKS BEGIN; SITUATION SAID 'IMPROVING'

HK100209 Hong Kong SOUTH CHINA MORNING POST in English 10 Sep 86 p 3

[Text] China's chief negotiator on Macao's future is expected to visit Lisbon in November, according to a Portuguese source attending the second round of talks on the Portuguese-run enclave in Beijing.

The fuelled speculation that Mr Zhou Nan, who is Vice-Foreign Minister, will meet senior Portuguese officials before talks on Macao's future are settled.

Speculation has been rife that the Macao negotiations will be concluded at the end of the year or early next year. If this is the case, a trip by a senior Chinese official to Lisbon is considered appropriate.

Mr Zhou yesterday began the second round of Macao talks in Beijing with a classicial allusion that the general situation was improving. He recalled in a chat with Portuguese delegation leader Rui Medina that Gu Haizhi, a Chinese painter of the Jin Dynasty (265 to 420 AD), had the habit of eating sugar cane from the tip down.

When people asked why, the painter replied: "It gradually gets better and better," Mr Zhou said, quoting a popular Chinese classical phrase used to indicate an improving situation.

Analysts said the quotation, implying there was a lot of cane to chew before the really sweet part, also seemed to suggest that talks on Macao may still have some rough ground to cover.

In the three-hour talks at the Diaoyutai State Guesthouse in Beijing, Mr Zhou also said he had recently visited the famous Dunhuang murals in northwest China's Gansu province. He said the Mogao Grottoes in Dunhuang were a treasure of exchanges of Chinese and Western cultures.

Mr Zhou's talks of Dunhuang, according to analysts, were related to comments by the Portuguese side that Portuguese culture must be preserved in Macao.

The agenda of the two-day second round of talks which end today has been kept confidential. A joint statement on the conclusion of the talks is expected later this afternoon.

Observers generally agreed that substantial issues would be discussed.

A joint communique issued after the first round in July said that besides having reached agreement on the general agenda for the talks, the two sides also "had an exchange of views on some matters of substance."

It was believed that the Portuguese were responding to Chinese proposals put forward during the first round in June.

The date of returning the Portuguese enclave to China and nationality and Macanese problems may be discussed, according to sources.

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INTERNATIONAL COURT PRESIDENT CONTINUES VISIT

Meets Wu Xueqian

OW111410 Beijing XINHUA in English 1357 GMT 11 Sep 86

[Text] Beijing, September 11 (XINHUA) -- State Councillor and Minister of Foreign Affairs Wu Xueqian met the President of the International Court of Justice Nagendra Singh said his wife were here today. They had a cordial and friendly talk.

Talks With Peng Chong

OW111037 Beijing XINHUA in English 0948 GMT 11 Sep 86

[Text] Beijing, September 11 (XINHUA) -- Peng Chong, vice-chairman of the National People's Congress Standing Committee, met Nagendra Singh, president of the International Court of Justice in the Hague, and his wife here today.

Peng briefed his Indian guests on China's judicial system and how the country is popularizing legal knowledge. Noting that China has attached importance to the improvement of legal system and social democracy, Peng said China will not only strengthen its legal system and social democracy but turn itself into a country with a high degree of civilization and democracy.

Singh admired the work China had done in legislation.

Ni Zhengyu, a Chinese judge working for the International Court of Justice also attended the meeting.

RENMIN RIBAO ON EIGHTH NONALIGNED SUMMIT

HK100355 Beijing RENMIN RIBAO in Chinese 7 Sep 86 p 6

[Commentary by staff correspondent Li Wenzheng "The Nonaligned Movement Brimming With Vitality -- Commenting on the Eighth Nonaligned Summit"]

[Text] Harare, 6 Sep -- The Eighth Nonaligned Summit is scheduled to close in Harare on the afternoon of 6 September. Just as the leader of an African state pointed out, the current summit is being held in Zimbabwe, the youngest member-state of the Nonaligned Movement. The summit itself, like the vigorous host country, is brimming with vigor, which characterized the Nonaligned Movement.

During the summit, leaders from various countries explored ways of solving pressing problems in various regions in the world. They analyzed existing problems, exchanged views, made suggestions, and proposed specific measures, thus gaining more consensus views. This is bound to play a positive and stimulating role in solving the numerous current major international problems. Zimbabwe's minister of information, posts, and telecommunications described the Harare summit as a "turning point," asserting that the Nonaligned Movement had entered a stage in which member-states had more consensus views, had become more united in action, and paid more attention to reality.

The identity of views reached by the movement is, above everything else, manifested in its understanding of the general trend of world events. The leaders participating in the current nonaligned summit held that the superpowers should be held directly responsible for the grave situation now facing the world. According to interested people, the political declaration to be published by the meeting will point out that the hostility between the superpowers and their policies designed to expand their influence have led to the escalation of the arms race, the nuclear arms race in particular, and have raised it to unprecedented proportions in both quality and quantity, gravely endangering world peace and security and the existence of mankind and, at the same time, have forced the vast numbers of developing countries to devote large amounts of human and material resources to defense. The economic declaration to be published soon by the meeting will emphatically state that the crisis in international economic relations is deepening, that the rich-and-poor gap between developing and developed countries is widening, and that the normal economic operations and social development of developing countries are being jeopardized. In the world economic system, trade conditions are worsening, interest rates remain high, and the debt crisis is serious. All these problems have affected the national independence of Third World countries and endangered their soviereign rights and political integrity.

It was precisely based on this basic understanding that the current summit called for a thorough reduction of armaments, nuclear armaments in particular, the establishment of a new international economic order based on equality, the holding "without delay" of North-South talks, and the strengthening of South-South cooperation and various forms of regional cooperation. These propositions will have a far-reaching influence on safeguarding world peace and promoting the economic development of Third World countries.

The consensus views of the member-states of the Nonaligned Movement on the fundamental world situation and their basically common historical fates have enabled them to share a more common stand and language in handling the pressing problems confronting the world and to take concerted action. Hence, there has emerged a spirit of paying attention to reality.

The issue of southern Africa is convincing proof. Robert Mugabe, chairman of the Eighth Nonaligned Summit, stressed that what we need is actions rather than statements. This is true of the issue of southern Africa and of other regions. While expressing their readiness to support the struggles of the peoples of Azania and Namibia politically and morally, nonalighed states also worked out specific propositions for sanctions against South Africa and set up a foundation for aiding the Frontline states. Liberation struggle organizations in southern Africa have praised highly the positive role of the current summit, asserting that the Harare summit was "inspiring."

Although the Eighth Nonaligned Summit was held in Africa, it showed grave concern over two hotspots -- Southeast Asia and West Asia. Leaders of such countries as Yugoslavia, Pakistan, Nepal, and Kuwait demanded that foreign countries immediately withdraw their troops from Afghanistan and Cambodia and let the people there freely and independently decide their own fates. Zimbabwean Prime Minister Mugabe also called for restoration of the rights of the people there to self-determination. All this gives a stern warning on the hegemonist policies pursued by the superpowers.

The New Delhi summit made various efforts to solve the long-drawn-out war between Iran and Iraq but failed to produce any specific results. [paragraph continues]

At this summit leaders from various countries made continued effort and once again urged Iran and Iraq to end the war between them. Prime Minister Mugabe made arrangements for the two countries' leaders participating in the summit to have indirect contacts but, as everybody knows, there are still major obstacles between the two parties, such as sharp political factors and age-old religious conflicts. Despite all this, through the efforts of Third World countries, the Harare summit put forth a series of specific proposals, which served as a shovelful of earth in closing the wide gap between Iran and Iraq.

The Eighth Nonaligned Summit is a continuation of the Nonaligned Movement. The day the current summit convened was exactly the 25th commemoration day of the Nonaligned Movement. When reviewing the history of the movement over the last 25 years, leaders of various countries at the summit felt deeply inspired. In the last 25 years, there has been an strange and changeable situation on the five continents and the world has undergone profound changes. During this same period, many international organizations emerged in the world and some of them have been eliminated or have disintegrated in the great waves of history. However, having united more and more medium-sized and small countries, the Nonaligned Movement has been continuously growing in strength, becoming an important force in the present international arena. In handling numerous and complicated contradictions in the world, it protects the interests of small-and medium-sized countries and has put forth important political and economic propositions, such as "collective boycotting" and "collective self-reliance," thus making contributions in safeguarding the sovereign rights and economic development of small-and medium-sized countries. The leaders of various countries pointed out: The Nonaligned Movement, including its eighth summit, has vigorously advanced in good shape over the last 25 years.

Of course, the Nonaligned Movement is confronted with rigorous challenges in many ways. Nevertheless, just as Josip Tito, founder ofd the Nonaligned Movement, said: Mankind will never put its fate in the hands of a handful of countries. The Eighth Nonaligned Summit has once again demonstrated that the Nonaligned Movement is displaying its vigorous vitality and struggling for the better future of mankind as a whole.

NEW CHANNELS OF CULTURAL EXCHANGE WELCOMED

OW120005 Beijing XINHUA in English 1512 GMT 11 Sep 86

[Text] Beijing, September 11 (XINHUA) -- China has sent 116 young middle school teachers abroad to study and work for short terms since it began to participate in 1982 in the activities of international and intercultural programs and the former American Field Service (AFS), and another 72 are leaving China right now.

At a seminar of the AFS China program here today, Li Tao, chairman of the China Education Association for Exchanges, said, living with volunteer families, the language teachers usually stayed there for seven to eight months advancing their English, studying teaching methods and obtaining knowledge of the different cultures.

William Dyal, president of AFS, said to help China train middle school teachers, enhance their knowledge of other countries, as well as introduce China to them is just what the China program aims at and also corresponds to the programs of other countries and the AFS's goal of world peace.

Hu Zhentai, a teacher from Xinhua Middle School in Tianjin, was sent to the U.S. in 1982. When he returned, he improved his former teaching methods and compiled two books in collaboration with a colleague.

Li Kefei, from the school attached to the Beijing teachers college, said during his stay in Australia, he formed a close friendship with his host family, the people of the community and his students. "Although we have different traditions, cultures and customs, we have a common wish for a peaceful happy life and are all striving for it.

"We were often invited to give lectures on China -- about its culture, history, politics, as if we were informal diplomats," said Wang Jinghua, just back from the U.S.

Li Tao said that China, like the other participants, is getting benefits from the AFS programs, and over 130 teachers are expected to be sent out next year. The subjects will not be limited only to English. He said that China has also received 35 foreign students and is expecting more.

HUANG ZHEN HOSTS UN ATTORNEY GENERAL GOURDON

OW112341 Beijing XINHUA in English 1504 GMT 11 Sep 86

[Text] Beijing, September 11 (XINHUA) -- Huang Zhen, honorary chairman of the Council of the China Association for the Advancement of International Friendship, met and gave a dinner for Alain Gourdon, former curator of the French National Library and current attorney general of the United Nations, here today. Gourdon is on a visit to China at the invitation of the host association.

LI MENGHUA GIVES BANQUET FOR SPORTS PERSONAGES

OW112317 Beijing XINHUA in English 1453 GMT 11 Sep 86

[Text] Beijing, September 11 (XINHUA) -- Li Menghua, minister in charge of the Chinese State Commission for Physical Culture and Sports, gave a banquet in honour of foreign sports prominent personages here this evening.

The banquet was given to mark the inauguration of a baseball field at the Tianjin Physical Culture Institute.

Among the 20 prominent personages led by Peter O'Malley at the banquet were Bob Smith, president of the International Baseball Association, and Creighton Hale, president of the Little League baseball incorporation.

Toasts were made at the banquet by Li Menghua and Peter O'Malley to mark the occasion.

RENMIN RIBAO ON SOVIET LITERATURE, ART REFORM

HK110907 Beijing RENMIN RIBAO in Chinese 10 Sep 86 p 7

["Roundup" by Fang Xuan: "Active Thinking of Soviet Literature and Art Circles in Exploration of Reform"]

[Text] Soviet literature and art circles have tended to be active in their thinking since the 27th CPSU Congress. Many literature and art workers have successively explored reform and proposed some specific reformative measures; some plays, which are bold in aiming at realities with sensitive themes, have emerged on stage or screen and won the acclaim of audiences; some literary works and movies, which had long been banned, are now available or have been released again to the public. It is believed that these are the effects on literature and art circles of the reformative ideas advocated by the 27th CPSU Congress.

The Union of Soviet Writers Eighth Congress, held not long ago, is regarded as an important event of Soviet cultural life Participants in the congress unfolded a heated debate, demanding an expansion of decisionmaking power in writing. Many people criticized bureaucratism for controlling writing and the censorship system at every level Some said figuratively at the congress: "A writer can devote only 10 percent of his life to writing, while 90 percent is spent trying to have his books published." The congress stressed the important role of literature in the current reform, and called on writers to work hard to portray images of positive characters in reform.

Soviet publishing circles have, of late, successively published the works of writers who were criticized in the past. The former residence of the late famous writer Pasternak, who was criticized in the past, will be opened as a museum, and his works will be published, including the banned "Dr. Zhivago."

According to a PRAVDA report, many problems exist in the movie industry. Of the 150 feature films produced annually, a considerable number are of low quality and a low moral standard, which draws the complaints of audiences. At the Conference of Delegates of Cinema Workers in May 1986, some movies produced over the past few years, which are pessimistic and in essence empty, were criticized; and it is believed that total reform is necessary in the movie industry. Movie circles appealed for more decisionmaking power for movie creation and production departments, and aired their opposition against the time-consuming, multi-tier "collective responsibility system" for the censorship of movie scripts.

Since the 27th CPSU Congress, two-thirds of the leading body of the Union of Soviet Cinema Workers have been replaced; 25 movies banned in the past have been reconsidered, and some movies which had long been banned have been released. The movie "Great Earth, Your Son," a 1981 production reflecting how a young district party committee secretary overcomes one obstruction after another in changing the features of his home village, has now been awarded the Lenin Prize after a delay of 5 years. The movie "From Wage to Wage," which was awarded a special prize at the 1986 Soviet Cinema Festival, portrays the current economic reform. Movie circles are actively preparing for the structural reform of the movie industry; consideration is being given to making movie studios assume sole responsibility for their profits or losses, and delegating the power of examination and approval of movie production to the studios.

In the field of Soviet literature and art, dramatic circles are even more active in their thinking. The Soviet Union now has 630 dramatic troupes, with more than 40,000 directors, conductors, actors, and other dramatic workers; and more than 3,000 new plays are staged annually. The Soviet cultural departments believe that many theaters have evaded important themes and significant social problems, and that the professional level of directors and actors has declined. Therefore, the Soviet cultural departments have decided that a 2-year reformative experiment will be conducted in the creative bodies of six federal republics. It is required that the theaters select their own programs, assume sole responsibility for their profits or losses, and implement the contracted system.

With the discussion and exploration on reform of the dramatic circles, a number of plays have emerged in society and won the acclaim of audiences.

"Say It...," a play reflecting two different ideas and attitudes toward the current reform, has expressed what is in people's minds, and aroused strong echoes in society. The play "Dictatorship of the Conscience," which involves ideology and morality, and the play "Say It Boldly," which criticizes the inertia of bureaucratism in the party, have also won the admiration of audiences.

Receiving some writers and representatives of literature and art workers not long ago, Gorbachev stressed that at present, there is a great need for works to reveal the conflicts and contradictions in reality by employing excellent artistic means. To make all areas of life possess "necessary vitality," it is imperative to conduct "profound all all-round reform," and to overcome the "ossified" phenomena existing in all unions of creative workers. At present, the dull situation of Soviet literature and art circles has been broken through, and reform is undergoing further exploration.

WEN WEI PO EXAMINES SINO-SOVIET RELATIONS

HK120759 Hong Kong WEN WEI PO in Chinese 12 Sep 86 p 2

[Editorial: "Probing Into and Readjusting Sino-Soviet Relations"]

[Text] Since Gorbachev's speech in Vladivostok, some signs of changes have appeared in the long-stagnant Sino-Soviet relations. One is the frequent bilateral contacts between leaders. The month before last, First Deputy Chairman of the Soviet Council of Minister Arkhiipov came to China on a personal visit and met with Wan Li and others. A few days ago, another first deputy chairman of the Soviet Council of Ministers, Talyzin, was invited to visit China and held talks with Zhao Ziyang, Yao Yilin, and Li Peng. The two sides exchanged notes on trade between the two countries and signed a new consular treaty. Sino-Soviet contacts have included officials at the level of the Political Bureau Standing Committee. Another sign is that relations between the East European countries, partners of the Soviet Union, and China are improving rapidly. One of the proofs is that the heads of states of East Germany, Poland, and Hungary: Honecker, Jaruzelski, and Kadar, will visit China. If the Soviet Union strongly opposed this, it would be difficult for them to make such visits. The third is that in handling the recent shooting incidents on the Sino-Soviet border in Xinjiang, both sides adopted a low-key attitude. This is quite different from the practice during the cultural revolution of magnifying trifles and shows that the atmosphere of Sino-Soviet relations has indeed improved. [paragraph continues]

What is even more worthy of attention is that Deng Xiaoping has made remarks on two occasions on Gorbachev's speech in Vladivostok, putting forward an estimation of the situation and of prospects for Sino-Soviet relations. All this shows that a situation of mutual probing and a brewing of readjustment have appeared in Sino-Soviet relations.

In his speech in Vladivostok, Gorbachev put forward the intention of withdrawing troops from Afghanistan and Mongolia and giving up the claim of sovereignty to the boundary of Heilongjiang River. Compared with past Soviet policy toward China, this is something positive. As a result of numerous domestic economic difficulties and intensifying economic, scientific, and technological competition with the United States, the Soviet Union has been compelled to reduce its plan of external expansion. However, such reduction in the scope of expansion is by no means the abandonment of hegemonism. Regions having a bearing on its global strategy, the Soviet Union will never give up easily. The Soviet Union has purposely avoided the Indochinese issue and this shows the contradiction in its readjustment of relations with China.

Gorbachev has regarded Vietnam's invasion of Cambodia as the problem of a third country, which has nothing to do with China or the Soviet Union. However, Deng Xiaoping has explicitly held that Vietnam's invasion of Cambodia has actually put China and the Soviet Union "at a hot sopt of confrontation," and is the "major obstacle" to improving Sino-Soviet relations. The Soviet Union makes use of Vietnam to form an arc round China, and China is trying to remove this encirclement, thus leading to acute contention. The term "hot spot" has cleverly revealed a confrontation of military strength which is different from a "hot war" or a "cold war." Regarding the issue of Vietnam's invasion into Cambodia, one side has tried to avoid it and the other has sharply pointed it out. One side has looked on it as the problem of a third country and the other side has looked on it as an obstacle to Sino-Soviet relations. This has constituted the difference between China and the Soviet Union on how to improve their relations, and this difference will become the focus of Sino-Soviet diplomatic contention in the future. China will, by means of this, test the sincerity of the Soviet Union's attempt to improve its relations with China, and to judge the possibility of such improvement.

In his speech in Vladivostok, Gorbachev expressed a concession and wanted a reply from China. Outwardly, the Soviet Union has tried to gain the initiative in its diplomatic activities. Deng Xiaoping has put forward the issue of Vietnam's invasion of Cambodia and has expressed his willingness to meet Gorbachev after this obstacle is removed. He has expressed China's sincerity in improving relations and has used it as a touchstone to test the truth of Gorbachev's speech. The key to whether Sino-Soviet relations can be improved lies in whether the Soviet Union is willing to urge Vietnam to withdraw its troops from Cambodia. Deng Xiaoping has set the question and we shall see how the Soviet Union will answer it.

XINHUA NOTES JAPAN'S DECISION TO JOIN SDI RESEARCH

OW111010 Beijing XINHUA in English 0950 GMT 11 Sep 86

["News Analysis: Japan Joins SDI but Questions Remain by Zhang Huanli" -- XINHUA headline]

[Text] Tokyo, September 10 (XINHUA) -- Japan's announcement Tuesday that it will join in the research of the U.S. Strategic Defense Initiative (SDI), has left many unanswered questions about the benefits of this decision to private industry and whether it will breach the country's nuclear-free policy.

Japan has agreed to join SDI, commonly known as "star wars," in the belief that it will reinforce the efforts of the Western alliance to contain Soviet expansion. The government is also concerned that Japan will fall behind the United States and Western Europe in the development of outer space if it does not participate.

But political observers here said Tokyo still faces tough negotiations with Washington over secrecy regulations and ownership of the benefits of SDI research. In the past, the United States in terms of strategic secrecy has persisted in prohibiting Japanese companies from using freely the results of research activities.

With this in mind, the government has held six cabinet meetings for discussion and study on the SDI issue and sent three fact-finding missions, made up of government officials and representatives from private manufacturers, to visit the United States since U.S. Defense Secretary Caspar Weinberger formally requested Japan's participation in March 1985.

Meanwhile, the Japanese media has raised concern that Japan's participation may breach the 1969 Diet (parliament) decision on the peaceful use of outer space and the three-point nuclear-free principles of "banning the production, possession or arrival of nuclear arms in the country," although Chief Cabinet Secretary Masaharu Gotada, who made the announcement Tuesday, claimed the "star wars" program was a "non-nuclear defense system" aimed at eliminating all nuclear weapons ultimately.

Komeito, the opposition Japan Socialist Party, the communist party, and scientists have opposed the government's decision, saying it would only intensify the nuclear arms race.

Japan's decision follows that of the Federal Republic of Germany, Britain and Israel who have also agreed to formal participation in the U.S. satellite-based missile defense system.

BEIJING TO EXPORT MORE ELECTRONIC PARTS TO JAPAN

OW111254 Beijing XINHUA in English 1216 GMT 11 Sep 85

[Text] Beijing, September 11 (XINHUA) -- Beijing is going to sell electronic parts to a Japanese company to overcome foreign exchange shortage in running a new joint venture, according to an agreement signed here.

The Matsushita Electric Industrial Company Ltd, producer of "national" brand electronic apparatus, agreed to import in the coming two years no less than 20 million U.S. dollars-worth of parts from Beijing to be assembled in its products.

This will be the biggest deal of its kind China has negotiated when detailed contracts are signed later this year, said an official from the Beijing branch of the China Electronics Import and Export Corporation.

The exports are expected to cover part of the foreign exchange needed for importing equipment and techniques from Matsushita and raw materials from other companies for launching a new joint-venture enterprise to make color tv tubes in 1988, the official said.

After a week-long visit to Beijing factories and an exhibition, managers from the Japanese company showed satisfaction with the quality of 53 categories of Chinese electronic parts.

ZHANG JINGFU MEETS WITH JAPANESE RICE EXPERT

OW110954 Beijing XINHUA in English 0932 GMT 11 Sep 86

[Text] Beijing, September 11 (XINHUA) -- State Councillor and Chairman of the China Association for International Exchange of Personnel Zhang Jingfu met Japanese rice expert Shoichi Hara here today.

Zhang thanked Shoichi Hara for his efforts to spread rice cultivation techniques in China's northernmost Heilongjiang Province.

As a guest of the provincial Science Commission, Shoichi Hara has been working there since 1982 to pass on the dry-nursing early rice seedling and sparse planting techniques in cold areas. He has been conferred the title "honorary citizen of Heilongjinag Province" by the provincial people's government.

DPRK OFFICIAL MEETS PRC PEACE DELEGATION

OW111207 Beijing XINHUA in English 1202 GMT 11 Sep 86

[Text] Pyongyang, September 11 (XINHUA) -- A high-ranking Korean official said today that peace is a necessary condition for both China's modernization and Korea's socialist construction.

The remark was made by Hwang Chang-yop, secretary of the Central Committee of the Workers' party of Korea, during his meeting with Deng Zhaoxiang, head of the Chinese delegation to the conference on the denuclearization of the Korean peninsula.

"The Pyongyang International Conference for Denuclearization and Peace on the Korean Peninsula" was held here from Setember 6 to 8.

Deng, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, said Chinese people firmly support Korea's stand for turning the Korean peninsula into a nuclear-free peace zone.

The Chinese delegation arrived here on September 5 and will leave for home tomoorow.

SON SANN, KHIEU SAMPHAN END BEIJING VISIT

OW121038 Beijing XINHUA in English 1022 GMT 12 Sep 86

[Text] Beijing, September 12 (XINHUA) -- Son Sann, prime minster of the Coalition Government of Democratic Kampuchea, left here this afternoon. And Samdech Norodom Sihanouk, president of Democratic Kampuchea, went to the airport to see him off.

Khieu Samphan, vice-president of Democratic Kampuchea in charge of foreign affairs, left here earlier today. He was seen off by Sihanouk and Son Sann at the airport.

WAN LI ATTENDS CONSULATE OPENING IN MELBOURNE

OW111448 Beijing XINHUA in English 1424 GMT 11 Sep 86

[Text] Melbourne, September 11 (XINHUA) -- Chinese Vice-Premier Wan Li presided over the opening ceremony of the Chinese Consulate-general in Melbourne here today.

This is the second consulate-general China has opened in Australia since the establishment of diplomatic relations between the two countries. Melbourne is an important trade, financial and transportation center in Australia. In recent years, China's relations with the state of Victoria and its capital of Melbourne have grown rapidly. Victoria and Melbourne have respectively entered into sister relations with China's Jiangsu Province and Tianjin Municipality.

After Wan Li's official announcement of the opening of the consulate-general, Vice Foreign Minister Zhu Qizhen made a speech. He said that the opening of the Chinese Consulate-general in Melbourne is an indication of the continued growth of the friendly relations and cooperation between China and Australia, and it will contribute to the even more extensive and closer relations of cooperation between the two countries.

In his speech, Premier of Victoria State John Cain said the opening of Chinese Consulate-general in Melbourne is something his government has been looking forward to. He pointed out that it is another milestone in the flourishing relationship between Australia and China.

Wan Li and his entourage arrived here this morning by plane after winding up their visit in Sydney.

HUNAN, FRG STATE SIGN AGREEMENT ON COOPERATION

HK111537 Changsha Hunan Provincial Service in Mandarin 0900 GMT 10 Sep 86

[Excerpts] After cordial and friendly talks, at 0830 today, Xiong Qingquan, the governor of Hunan Province, and Oskar Lafontaine, the minister-president of Saar State in the FRG signed an agreement on economic, technological, and trade cooperation.

Vice Governor Chen Bangzhu and responsible persons of departments concerned and the principal members of the entourage of Oskar Lafontaine attended the talks and the signing ceremony.

The agreement on economic, technological, and trade cooperation holds that since Hunan Province and Saar State began friendly contacts in 1985, both parties have strived to promote economic and technological contacts and cooperation. [passage omitted] Both parties have agreed that on the basis of egalitarianism and mutual benefit, they will carry out economic and technological cooperation and trade contacts. [passage omitted]

During their stay in our province, Oskar Lafontaine and his party visited units including the provincial perfumed soap factory, the (Xianxiang) Porcelain Factory, the Changsha Nonferrous Metals Processing Plant, and the Liling (Guoguang) Garment Factory. They went sightseeing to a scenic spot on Yuelu Shan.

This morning, Oskar Lafontaine and his party concluded their friendly visit to our province and left Changsha for Wuhan by car. Those who went to the station to see them off were Chen Bangzhu, member of the provincial party committee Standing Committee and vice governor; Shen Ruiping, member of the provincial party committee Standing Committee and secretary general of the provincial party committee, and others.

Hu Qili Meets FRG Visitors

OW120017 Beijing XINHUA in English 1518 GMT 11 Sep 86

[Text] Wuhan, September 11 (XINHUA) -- Hu Qili, member of the Political Bureau and member of the Secretariat of the Chinese Communist Party Central Committee, met Oskar Lafontaine, member of the Federal Council of the German Social Democratic Party, here today.

During their friendly conversation, Lafontaine, who is also minister-president of the Saar State, expressed satisfaction with his talks with government and party leaders of Hubei and Hunan Provinces on expanding economic and technological exchange and cooperation between the two provinces and the Saar State. He had also visited Changsha, capital of Hunan.

Hu congratulated Lafontaine on his successful visit and said more Federal German visitors are welcome to come to China.

After visiting Wuhan, Lafontaine and his party will tour Guilin and Guangzhou before returning home.

ZHANG AIPING HOSTS RETURN BANQUET IN ROME

OW111354 Beijing XINHUA Domestic Service in Chinese 0733 GMT 11 Sep 86

[Text] Rome, 10 Sep (XINHUA) -- Zhang Aiping, Chinese state councillor and concurrently defense minister, gave a banquet at the Chinese Embassy in Italy this evening to thank Italian Defense Minister Spadolini for his warm hospitality.

In his toast Minister Zhang Aiping said that his visit to Italy will promote friendship and cooperation between the armies of the two countries. He described the friendly and cooperative relations between the two countries and armies in a poem that reads: "Both China and Italy are famous for their ancient civilizations, they are linked by Marco Polo's 10,000-li journey; what's more gratifying is our frequent contacts nowadays, which have further promoted our friendship and cooperation."

In reply, Minister Spadolini said that Minister Zhang's visit to Italy marks an important page in the history of friendly relations between China and Italy. He stressed that safeguarding world peace is a common goal of China and Italy, and that both Beijing and Rome are opposed to factors destabilizing world peace, call for equality among small and big countries in international affairs, and have no intention of becoming a superpowers. These are the foundations for cooperation between our two countries.

Defense Chief of General Staff (Ricardo Pisoniro) was among the Italian senior military leaders invited to attend the banquet.

Zhang Aiping and his entourage will leave for tour of Florence, Pisa, and Venice tomorrow.

ZHAO ZIYANG MEETS OUTGOING SWISS AMBASSADOR

OW111137 Beijing XINHUA in English 1105 GMT 11 Sep 86

[Text] Beijing, September 11 (XINHUA) -- Chinese Premier Zhao Ziyang met here today Swiss Ambassador to China Hans Mueller, who is leaving his post soon.

ROMANIA MAKES GOOD START IN ARMS REDUCTION

HK110439 Beijing RENMIN RIBAO in Chinese 9 Sep 86 p 7

["Random Notes" by Sai Bei: "A Good Start"]

[Text] Romania plans to reduce its armaments and armed forces by 5 percent by the end of this year and thus makes a start in the disarmament of the two military blocs confronting each other in Europe. This is a good start!

Europe constitutes a strategic place in the rivalry between the two superpowers. The issue of European disarmament can be regarded as a crucial point in the world disarmament issue. The European disarmament conference has been held off and on for many years. However, in spite of the disarmament rhetoric, armaments have been expanded year after year. Controlled by the superpowers, the two military blocs distrust and are deeply suspicious of each other. Neither of them is willing to be the first to reduce armaments and troops. In truth, not only do the superpowers suffer from the heavy burden of military expenditure, but some medium-sized and small bloc members are even more anxious to reduce their military expenditures. However, none of them dares to take the first step to make a decision on arms reduction. Now Romania has boldly taken the first step. This is a very valuable step.

In my view, armed forces are indispensable to state security. However, this does not mean that the more armed forces a country has, the safer it is. A state's security also depends on whether or not it has a foreign policy of peace and a sound economy. If a country one-sidedly expands armaments beyond its capacity and beyond the toleration of the surrounding states and the rest of the world, it will, in all probability, bring insecurity, rather than security, to the country. For this reason, keeping a small but better army capable of meeting the needs of national defense is a wise measure. At present, although the situation in Europe is still tense, it is by no means explosive. Therefore, if other countries in the two blocs can voluntarily reduce armaments as Romania does, they will undoubtedly make a contribution toward easing the confrontation between the two major military blocs and the tense situation in Europe.

GDR COMMERCIAL DELEGATION HONORED IN BEIJING

OW111430 Beijing XINHUA in English 1416 GMT 11 Sep 86

[Text] Beijing, September 11 (XINHUA) -- A commercial delegation from the German Democratic Republic headed by Gerhard Briksa, minister of commerce and supply, was honored at a banquet given by Chinese Minister of Commerce Liu Yi here tonight.

In their toasts, the ministers hope that the traditional cooperative relations between the commercial departments and commercial workers of the two countries would further grow.

The delegation arrived here earlier today at the invitation of the State Economic Commission and the Ministry of Commerce.

MALI PARLIAMENTARY DELEGATION CONTINUES VISIT

Meets Ulanhu

OW110642 Beijing XINHUA in English 0629 GMT 11 Sep 86

[Text] Beijing, September 11 (XINHUA) -- Vice-President Ulanhu said here today that China and Mali have established friendly relations and cooperation on the basis of mutual respect and trust.

At a meeting with a Malian parliamentary delegation led by Sidiki Diarra, president of the Malian National Assembly, he said that the relations between the two countries are very friendly, adding that since the establishment of their diplomatic relations 26 years ago, the two governments and the two peoples have always supported and sympathised with each other.

Noting with great satisfaction the good bilateral cooperation in politics, economy, culture, education and health work, he said China treasures the deep friendship founded by the two countries in the common cause of eliminating and changing their backwardness. China hoped that the two sides would make further effort to consolidate and expand the unity and bilateral cooperation, he added.

The Chinese people are willing to work along with the people in Mali and the world over to safeguard world peace and promote international economic prosperity, Ulanhu said.

Diarra said his delegation's current visit to China marks the beginning of cooperative relations between the two countries' parliaments, and hoped that bilateral friendly, cooperative relations will continue to increase.

He also spoke highly of the Chinese doctors working in Mali, who have served locals well and won their praises.

Seypidin Aze, vice chairman of the National People's Congress Standing Committee, was present at the meeting.

Meets Hu Yaobang

OW110758 Beijing XINHUA in English 0736 GMT 11 Sep 86

[Text] Beijing, September 11 (XINHUA) -- China and Mali should support each other and share experience in economic construction, Hu Yaobang, general secretary of the Chinese Communist Party Central Committee, said here today.

At a meeting with a delegation from the Malian National Assembly led by its President Sidiki Diarra, he briefed his guests on China's economic development.

China suffered setbacks in this regard over the past three decades and more with the exception of the post-liberation years and the last eight years, Hu said. In recent years, however, China has been pursuing an independent policy of peace in international affairs, cutting down its military expenditure, he noted.

China has given priority to the development of agriculture, he said. Agricultural development depends chiefly on the intiative of the masses of peasants and herdsmen. So their decision-making right to arrange production and allocate products should especially be protected. China needs to develop big-scale, modern industry step by step, along with county and township enterprises and household handcraft trade, he added. The general secretary stressed the necessity of a political situation of stability and unity to ensure economic development. The state must carry out correct policies that incorporate the interests of all nationalities, social strata, parties, and people of various religious faiths.

On bilateral relations, Hu expressed his satisfaction over the good Sino-Malian relations since the two countries established diplomatic relations 26 years ago. He also spoke highly of Mali's adherence to the non-alignment policy, and placed it on a par with opposing hegemonism.

Diarra said Mali can draw on China's experience, since the two countries have much in common, he said. He also briefed Hu on Mali's foreign policy and economic situation.

Present on the occasion was Seypidin Aze, vice-chairman of the Standing Committee of China's National People's Congress.

Meets Zhang Jingfu

OW111213 Beijing XINHUA in English 1139 GMT 11 Sep 86

[Text] Beijing, September 11 (XINHUA) -- Chinese State Councillor Zhang Jingfu met here today a delegation from the Malian National Assembly led by its President Sidiki Diarra.

Zhang expressed satisfaction with the economic and technical cooperation between China and Mali. He proposed that experts of the two countries cooperate in the fight against drought, control of sand and building of water conservancy projects.

Diarra said that the Mali-China cooperation has spread to various fields. The Malian National Assembly desires to contribute to economic cooperation between the two countries.

During their stay in Beijing, the Malian visitors called at a school of the Chinese Communist Party Central Committee and a handicraft factory, and toured some scenic spots.

Diarra Gives Banquet

OW112309 Beijing XINHUA in English 1502 GMT 11 Sep 86

[Text] Beijing, September 11 (XINHUA) -- The President of the National Assembly of Mali Sidiki Diarra gave a return banquet at the Malian Embassy here tonight. Vice-Chairman of the Chinese National People's Congress Standing Committee Seypidin Aze was among those present.

The Malian National Assembly delegation led by Diarra is scheduled to leave here for Tianjin, Henan and other parts of China where they will visit factories and rural villages.

NPC OFFICIAL MEETS MOROCCAN DELEGATION

OW111205 Beijing XINHUA in English 1119 GMT 11 Sep 86

[Text] Beijing, September 11 (XINHUA) -- Zhou Gucheng, vice-chairman of China's National People's Congress Standing Committee, met here today a delegation from Casablanca, Morocco, led by Mohamed Abied, president of the Municipal Community of Casablanca.

The delegation arrived in China on September 5 at the invitation of the government of Shanghai Municipality. The delegation and the Shanghai government signed a protocol on establishing friendship ties between the two cities.

SAO TOME, PRINCIPE DELEGATION MEETS ZHOU GUCHENG

OW111252 Beijing XINHUA in English 1208 GMT 11 Sep 86

[Text] Beijing, September 11 (XINHUA) -- Minister of Education and Culture from Sao Tome and Principle, Ligia da Costa, and a government cultural delegation he is leading had a meeting with Zhou Gucheng, vice-chairman of China's National People's Congress Standing Committee, here today. The delegation arrived here Tuesday at the invitation of the Chinese Ministry of Culture.

ZHOU GUCHENG MEETS NIGERIAN LABOR DELEGATION

OW111211 Beijing XINHUA in English 1125 GMT 11 Sep 86

[Text] Beijing, September 11 (XINHUA) -- Zhou Gucheng, vice-chairman of China's National People's Congress Standing Committee, met here today a delegation from the Nigerian Labor Congress led by its First Vice-Chairman Lawrence Peterside.

ZHENG TOUBIN AT ETHIOPIAN REVOLUTION DAY FETE

OW112351 Beijing XINHUA in English 1459 GMT 11 Sep 86

[Text] Beijing, September 11 (XINHUA) -- Ethiopian Ambassador to China Philippos Wolde-Mariam gave a reception at the embassy here tonight to mark the Ethiopian People's Revolution Day.

Chinese Minister of Foreign Economic Relations and Trade Zheng Tuobin was among those present.

KUWAIT ENVOY PRAISES CHINESE MIDEAST POLICY

OW120135 Beijing XINHUA in English 1741 GMT 11 Sep 86

[Text] Kuwait, September 11 (XINHUA) -- The Kuwait ambassador to China has praised China's Mid-East policy for giving firm support to the Arab cause, the just cause of the Palestinian people in particular.

Kuwaiti daily "AL-QABAS" today quoted Ambassador "Abd al-Hadi Haj al-Mahmid as saying that the relations of Kuwait and China are quite well.

The leaders of the two countries hold unanimous views on many questions, especially those related to the Third World. China respects the social system of other countries and does not interfere in the internal affairs of others, he said.

In referring to trade between the two countries, he noted that the total trade volume in 1985 reached 100 million U.S. dollars. The Kuwait-based Arab Economic Development Fund has invested 300 million dollars in 14 Chinese projects.

On the possibility of more Kuwaiti investment in China, he said there exists a wide scope for investment in China such as tourist installations, joint venture in trade, building of tourist hotels, housing and department stores as well as industrial projects.

BRIEFS

SODA ASH FROM KENYA -- Nairobi August 30 (XINHUA) -- An agreement was signed between China and Kenya here this evening providing for long term supply of natural soda ash to China. Under the agreement, the Magadi Soda Company of Kenya will export 40,000 metric tons of soda ash each year to the China national chemical import and export corporation for a period of three years from 1987 to 1989. Formed in 1911, the Magadi Soda Company produced 198,130 tons of soda ash and earned the country 300 million Kenyan shillings (about 20 million U.S. dollars) in foreign exchange last year. In addition to the agreement, China will also buy 10,000 tons of soda ash from the Magadi Soda Company this year. [Excerpts] [Beijing XINHUA in English 0123 GMT 30 Aug 86 OW]

NICARAGUAN PRESIDENT ORTEGA, ENTOURAGE VISIT

Arrive 11 Sep

OW111156 Beijing XINHUA in English 1151 GMT 11 Sep 86

[Text] Beijing, September 11 (XINHUA) -- Nicaraguan President Daniel Ortega Saavedra and his wife arrived here this evening for a three-day state visit at the invitation of the Chinese President Li Xiannian.

Ortega is the first head of state from Central America to have visited China.

Gian Zhengying, chairperson of the Reception Committee of the Chinese Government and minister of water resources and electric power, was present at the airport to greet the Nicaraguan visitors.

Ortega's entourage include Foreign Minister Miguel d'Escoto, chief of General Staff of the Sandino People's Army and Vice-Minister of Defence Joaquin Cuadra Lacayo, Minister o Foreign Trade Alejandro Martinez Cuenca and Minister of Information Manuel Espinoza.

Talk With Zhao Ziyang

OW120814 Beijing XINHUA in English 0805 GMT 12 Sep 86

[Text] Beijing, September 12 (XINHUA) -- Central Americans must be allowed to solve their own problems without outside interference, Chinese Premier Zhao Ziyang said today.

"Disputes between Central American countries and between Nicaragua and the United States should be solved through negotiations without threats or military force," he said.

Zhao made the remarks during a meeting with visiting Nicaraguan President Daniel Ortega Saavedra here this morning.

He said "China appreciates and supports the efforts of the Contadora Group" of four Latin American countries to resolve Central American conflicts peacefully.

At the same time, said the premier, it is China's "internationalist duty to safeguard the interests" of other Third World countries.

"China opposes any country that practices the chauvinism of great powers or seeks hegemony over others," he said.

According to Ortega, Nicaraguans are building a society based on a mixed economy and political pluralism. In international affairs, he said, Nicaragua follows the principle of non-alignment and seeks to form new economic, financial and trade relations with countries of different ideologies.

Internationally, he said, "Nicaragua supports all movements aimed at relaxing world tension, ending the arms race and promoting disarmament." He said Nicaragua hopes to expand its economic and diplomatic relations with China.

Meets Li Xiannian

OW121134 Beijing XINHUA in English 1122 GMT 12 Sep 86

[Text] Beijing, September 12 (XINHUA) -- Chinese President Li Xiannian told Nicaraguan President Daniel Ortega Saavedra here today that justice is on the side of the Nicaraguan people and that however arduous their struggle the final victory belongs to them.

Meeting with the visiting Nicaraguan president, his wife and their party, Li expressed hearty welcome to them and said that current visit constitutes a milestone in the history of the two countries' relations.

Ortega said the Nicaraguan party and people stand more closely than ever before with the Chinese people and will learn from China's experience in revolution.

Qian Zhengying, chairperson of the Reception Committee of the Chinese Government and minister of water resources and electric power, was present.

ULANHU MEETS ARGENTINE ARMED FORCES CHIEF

OW120954 Beijing XINHUA in English 0938 GMT 12 Sep 86

[Text] Beijing, September 12 (XINHUA) -- Chinese Vice-President Ulanhu met General Teodoro Guillermo Waldner, chief of Joint Staff of the Argentine Armed Forces, and his party here today.

Ulanhu said Waldner's visit to China is an important event in the relations between the armies of the two countries. "We attach importance to it," he noted. He praised the Argentine Government and people for their efforts to develop the economy of their country and defend world peace. He said during the past two years, the relations between the two countries and their armies have been satisfactory. He also expressed China's willingness to make unremitting efforts for the development of such relations.

General Waldner conveyed the regards of Argentine President Raul Alfonsin to Ulanhu. Both countries share the desire to enhance mutual understanding and hoped for developing their own economy, he said. So Argentine follows China's development closely.

Xu Huizi, deputy chief of General Staff of the Chinese People's Liberation Army, attended the meeting.

Waldner hosted a return banquet yesterday evening, and Yang Dezhi, and Han Huaizhi, chief and deputy chief of General Staff of the Chinese People's Liberation Army, were present.

WEN HUI BAO ARTICLE ON FREEDOM OF PRESS

OW080400 Shanghai WEN HUI BAO in Chinese 30 Aug 86 p 2

[Article by Sun Xupei: "Socialist Press Law Is a Law for the Protection of Freedom of the Press"]

[Excerpts] Editor's note: This is an exploratory article. The article's author tries to express his own views on socialist freedom of the press and issues of press legislation. The article contends that socialist freedom of the press differs from bourgeois freedom of the press. Bourgeois freedom of the press only attaches importance to the issue of freedom, regardless of the material foundation of such freedom. This only reflects its limitations and hypocrisy. However, socialist freedom of the press is something specific. It has no limitations. All journalists must accept the leadership of the party, adhere to socialist directions and persistently serve the people. At the same time, they also enjoy rights to freedom provided by the Constitution. The writer believes, by summarizing and learning from lessons in Chinese history, we have come to realize the necessity and urgency in enacting press legislation through which we can establish a basic system for the press, enact socialist freedom of the press into law and gradually pave the way to develop and monitor public opinion. On the one hand, we must oppose suppressing freedom of the press and protect the rights of reporters in gathering news, the rights of the newspapers in reporting news and conducting criticism, and the rights of the masses in reflecting their problems in the press. On the other hand, we must also oppose the abuse of the freedom of press, allow no one to slander the four cardinal principles, betray state secrets, peddle philistine or even pornographic works and prevent citizens from being framed or slandered. Therefore, a socialist press law should be a law to protect freedom of the press. [end of editor's note]

China is carrying out work on press legislation. This is a major event that has caused concern and won support from the broad masses of workers in press circles. It is also a major event that will affect the whole society.

The task of enacting press legislation can be regarded as an easy or difficult one. Drafting a law is not that difficult. However, it is not as easy to work out a socialist press law with truly Chinese characteristics. The press law must be enacted to readjust relations among those in press circles, between the press and the government, between the press and society, and between the press and individuals. The boundaries of these relations are determined by the level of freedom of the press in a specific social system. The press law we are working on should be a law to protect socialist freedom of the press.

Basic Knowledge on Bourgeois Freedom of the Press

Socialist freedom of the press is an important link in the history of the development of freedom of the press. In order to fully understand it, we must start from the very beginning of the history of the freedom of the press. Particular efforts must be made to correctly understand bourgeois freedom of the press. [passage omitted]

Bourgeois freedom of the press includes freedom in gathering, transmitting and disseminating news, conducting criticism and running newspapers. In the course of its development, it has brought about tremendous changes in journalist circles. Large numbers of newspapers run by the people have appeared, bringing to an end a situation in which only official papers or papers with the special permission from the authorities are allowed to be published. [paragraph continues]

Newspapers may freely report on political news, and carry articles criticizing the government. With the exception of inciting the use of violence or other illegal measures to overthrow a government, all materials in newspapers which criticize the government will receive no legal sanctions. Jefferson (1743-1826), a bourgeois statesman in United States history, believed that a free press should become a fourth power which could be used to counterbalance the other three powers -- administrative, legislative and judicial powers. Thus, freedom of the press has become one important element in the democratic capitalist system.

As a result of a tenacious struggle by the proletariat, and a rapid growth in the means of communication, freedom of the press, which is bourgeois in essence, is no longer monopolized by the bourgeoisie. In some capitalist countries, newspapers run by workers' political parties have adopted a relatively comprehensive system, and are playing an influential role in the institution of the press in their own countries. However, due to private ownership of the means of production in a capitalist society, freedom of the press invariably implies freedom of competition in capital gains in running newspapers. Hence, under the restriction of capital, equal rights in freedom of the press cannot exist. Controlled by capitalists, communication means can only serve capital owners. This is the basic characteristic of bourgeois freedom of the press.

Because the proletariat does not reject anything progressive in history, it, of course, accepts freedom of the press as a major achievement in the history of human civilization. In fact, proletarian political parties have consistently advocated freedom of the press and included it in the political program, regarding freedom of the press not only as a strategy against the ruling class but also as a basic right of the people. [passage omitted]

Devoid of material conditions for universal freedom (as communication means are controlled by the private sector), bourgeois freedom of the press, however, has established the basis for universal freedom (that is, the freedom of gathering, transmitting, and disseminating news, and the freedom of criticism). Bourgeois freedom of the press is limited and hypocritical because it only stresses the idea of freedom and ignores the material foundation for freedom. Both the feudal and the proletarian classes repudiate bourgeois freedom of the press, but in totally different aspects -- the feudal class negates the former (the forms of freedom) but affirms the latter (private ownership), while the proletarian class affirms (of course it does not completely affirm) the former but negates the latter. However, due to the inroad of the ideological remnants of feudal dictatorships, the freedom established by bourgeois freedom of the press has been indiscriminately repudiated as bourgeois liberalism over the past few decades. People who made these accusations are collaborators of the feudal class, and using feudalism as an ideological weapon to repudiate the bourgeoisie is not progresive not retrogressive.

Socialist Freedom of the Press Must Be Specifically Defined by Law

China's press institution, over the past few decades, has shown the complications and confusions encountered by socialist freedom of the press in its course of development. This has enabled us to clearly understand the necessity and urgency of a press law.

After the founding of new China, freedom of speech and publication has written down in our previous constitutions as a right of citizens. Originally, freedom of speech included freedom of the press. [paragraph continues]

Our current Constitution, in Article 35, stipulates that citizens enjoy freedom of speech and publication and, in Article 47, that "citizens of the People's Republic of China have the freedom to engage in scientific research, literary and artistic creation, and other cultural pursuits." "Freedom to engage in other cultural pursuits," of course, includes freedom of the press, which is also a form of cultural pursuit. Article 22 of the Constitution defines the "press, broadcasting, and television undertakings" as "cultural undertakings."

In brief, freedom of the press is included in freedom of speech and publication, and it is a right entitled to citizens by the Constitution.

For a long time, however, freedom of the press became something people did not dare discuss. If we take a look at our newspapers and journals published after the founding of the republic, we can readily discover that there were very few articles which directly discussed, or seriously studied, the characteristics, substance and forms of freedom of the press, speech, and publication in our socialist society. Even when there were some articles about freedom of the press, most of them were critical of it. Almost without exception they denounced it as being bourgeois, and very little was said about how freedom of the press should be expressed. A veteran newspaperman has put it well: Citizens' freedom of speech and freedom of the press stipulated in the Constitution means just that. The Constitution did not say that the discussion of this or that sort of thing is forbidden. But whenever we mentioned freedom of the press, we were warned: "What sort of freedom do you want, bourgeois freedom or proletarian freedom? Abstract freedom or realistic freedom? Absolute freedom or relative freedom?" Having been warned in such a way, we learned the need to remain silent, and then the warning "returned to court a victor." Thus, in order not to be considered as having anything to do with the bourgeoisie, nobody wanted to mention freedom of the press any more. [passage omitted]

While reviewing history, we cannot help asking: Why have freedom of speech and freedom of the press, explicitly prescribed in the Constitution, actually become taboo? The Constitution, as the cardinal law for governing the state and the instrument for safeguarding socialist democracy, should have the utmost legal effectiveness. However, in a country where rule by laws had long been held contemptible, quoting constitutional articles was deemed pedantic. It seemed quite possible that the Constitution would fall into oblivion. This shows that while a good constitution is not easy to come by, having it implemented and adhered to requires protracted efforts.

If we believe people's democratic rights should be a structure, then freedom of publication and freedom of the press should be the most fundamental and essential groundwork. Marx once said: "Without freedom of publication, all other freedoms would be just an illusion." In our Constitution, as well as in the documents of our party during the period of democratic revolution, freedom of publication and freedom of the press have always been placed above all other freedoms.

However, our constitutional provisions concerning freedom of speech and freedom of publication are very brief, lacking clauses to expound their specific meaning. If the provisions are too simple or too general, the term "freedom" would be interpreted casually, and people would not know what to follow. During the long period when "leftist" ideology reigned, cultural autocracy, with the support of all types of sophistry that condemned freedom, prevailed at a time of disorder. We have had enough of this sort of thing. As such, it seems all the more necessary to define freedom of the press by special legislation. [passage omitted]

Press Legislation Will Open a Path for the Gradual Development of Supervision by Public Opinion

Our country's socialist press work originated from the publication of party papers during the period of revolutionary struggle, which was launched under the CPC leadership. [passage omitted] After our party seized political power, press work was no longer confined to publishing party papers. Currently we have party papers; newspapers of people's groups, government organs, enterprises, mass organizations; and all sorts of newspapers. [passage omitted] The newspapers of the various organs of the ruling party represent one level of the socialist press, which is a huge institution, and they also serve as the core, but not the entirety, of China's press work. This being the case, we should not treat all kinds of press work with policies meant for party papers. The leadership of the party and the government dealing with press work, and its management, should have many levels and forms. The fundamental system the state has adopted for the press, through legislation, should only be regarded by nonparty papers as guide, and only the papers of party organs should obey the party Constitution, party resolutions, and instructions from leading party organs on the basis of abiding by the press law. Of course, these resolutions and instructions should not run counter to the Constitution and the press law.

Since our press system has never been divided into different levels, party papers and nonparty papers alike followed the same policies -- those for party papers. Consequently, all papers said similar things with a similar tone, causing a virtual uniformity of public opinion. And because of the uniformity of public opinion, there was no supervision by public opinion, to speak of. Owing to the high degree of centralization of power, and the lack of supervision by public opinion, tragic and farcical events happened in state life. This universally acknowledged fact in political science had, time and again, been proven by political events at home and abroad. The repeated interferences from erroneous guiding thoughts and lines -- and the ravages they caused for nearly 3 decades after the founding of the republic -- had everything to do with the lack of supervision by public opinion.

We must affirm the great superiorty of the press institution built as a result of the party's policy toward party papers since the revolutionary years. This institution has demonstrated its unique strong points by publicizing the line and policies of the party and the state and the ideology of the advanced class among the people, as well as by repudiating and resisting the various erroneous ideas detrimental to socialist interests. We must carry forward and develop these strong points. However, we must also note its inadequacies, that is, the institution per se lacks the ability to regulate. [passage omitted]

We must press for solid development of socialist freedom of the press in order to give the press institution a regulatory function by means of feedback and to develop supervision by public opinion. Socialist freedom of the press calls for supervision of the news media by the party and the people, adherence to the socialist orientation, and service for the people. At the same time, it is necessary to allow a certain degree of independence and freedom from nonintervention to the press as permitted by laws and regulations, which embody the will of the party and the people. In accordance with this principle, we can rightly stress that all news and criticism should enjoy free publication, as long as they do not distort facts, violate the constitution or laws (or the party constitution in the case of party papers), run counter to public morality, or harm the people's interests. Furthermore, the journalists' political rights or right to work must not be infringed upon or harmed because of anything published.

Party papers must play a guiding role in developing an multilevel press structure and establishing a socialist press contingent centering around party papers and official papers of party and government organs while embracing papers run by the people. The rule of law must be enforced for press undertakings. Writers are responsible for the contents of their wirtings, and violation of the law is prohibited. Punishment should be meted out mainly after publication of law-breaking articles. However, some precautionary measures should be taken to forestall publication of law-breaking writings. Journalists must exercise self-discipline, and earnestly hold themselves responsible to the party and the people. The state should award those press units and individuals who have contributed to publicizing state policies. This sums up the basic contents of socialist freedom of the press. We must ensure that press undertakings subordinate themselves to the leadership of the party and suprevision by the people; they are not allowed to grow into a force independent of the two. At the same time, we must also ensure that press undertakings are "independent in form" (in the words of Engels), so that they are able to resist erroneous lines and ideological trends and avoid becoming instruments for some power groups which they can wield at their own free will.

With the gradual development of socialist democracy in China, we are happy to see concomitant development in supervision by public opinion through newspapers and magazines. We are also happy to see the growing number of knowledgeable persons who dare to subject themselves to supervision by newspapers. At the end of February 1985, Shenzhen's "Shekou Tongxun" [she kou tongxun 5748 0656 6639 6061; Shekou Newsletters] carried on its front page a letter poignantly critical of the exaggerated work efficiency at Shekou. The letter cirticized by name the director of the Shekou Administrative Committee, Yuan Geng. Endorsed by Yuan Geng, the letter was published in its entirety. Yuan Geng said: "Unless they oppose the CPC or make personal attacks, newspapers in Shekou must not censor articles critical of leaders of the industrial zone." "We are pressing for a democratic society here where everyone can freely air his views." he stressed. Such democratic manners have given effective support to developing supervision by public opinion and socialist freedom of the press. [passage omitted]

In summing up the above, we can decidedly draw the following conclusion: An important task of press legislation is to translate the contents of socialist freedom of the press into law in order to blaze a trail for development of supervision by public opinion step by step.

The Press Law Protects Freedom of the Press in Two Aspects

China began the world of enacting a press law in 1984 after drawing lessons from historical experience and in response to a pressing call in the practice of journalism is recent years.

As a result of the giant strides made by the country in developing socialist freedom of the press since the 3d Plenary Session of the 11th CPC Central Committee, the press undertaking has entered a golden era never seen before. However, obstacles to socialist freedom of the press have not completely been removed, and the right of journalists and the masses of people to air their views and criticism in the press has not been protected at times. [passage omitted]

Preventing abuse of freedom of the press is another important aspect of protecting freedom of the press. As an old saying goes, "too much is just as bad as not enough." Both "too much" and "not enough" can obstruct the development of socialist freedom of the press. The ideological emancipation movement that appeared after the 3d Plenary Session of the 11th CPC Central Committee stimulated for a while the development of freedom of the press. [paragraph continues]

However, under the slogan of freedom, there were people who distrubuted tabloids and pamphlets vilifying the four cardinal principles, and thus underminded the freedom of speech and publication. [passage omitted]

To prevent abuse of freedom of the press, it is also necessary to protect the right of citizens not to be slandered. In recent years, abuse of authority by newspapers and periodicals has been reported from time to time. For example, some newspapers published reports slandering or framing people, while others carried inaccurate news reports to the detriment of people's reputation and interests but refused to make corrections. In recent years, the practice of publishing unfounded reports has become even worse. [passage omitted]

It is an arduous and protracted task to develop freedom of the press and observe the press law. In order to accomplish this important task, it is imperative to strengthen the party's leadership. The party is the core of leadership of our undertaking. Negligence or slackening of party leadership can lead to deviation in socialist freedom of the press, and will not ensure its wholesome development.

Full understanding of this issue depends on our recognition of the gradual process of development of freedom of the press. Socialist freedom of the press must go through a process of continuous development and keep abreast of the progress in our economic, cultural, and political life and the modernization drive. Deviation from reality and demand for an excessively fast pace in developing freedom of the press will even be harmful. It is impossible for us to set a formula or date for freedom of the press, which should be developed continuously and step by step. The wider freedom of the press to air views and criticism, as well as the establishment of a multilevel press structure, in the years since the 3d Plenary Session of the 11th CPC Central Committee are manifestations of the unprecedented progress achieved in China's socialist freedom of the press. This achievement is a result of our advance in overcoming resistance under the party's leadership and with its support and of our journalists' efforts to rectify mistakes and eliminate "leftist" interference under the party's guidance.

WANG RUOSHUI ON DOUBLE-HUNDRED POLICY, CIVIL RIGHTS

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[Article by Wang Ruoshui, reprinted from HUASHENG BAO: "The Double-Hundred Policy and Civil Rights"]

[Text] Editor's note: This article was originally carried by HUASHENG BAO, published in Beijing on 8 August. The author is the former RENMIN RIBAO deputy editor in chief and well-known advocator of the theory of alienation, who was dismissed from office at the beginning of 1984. The HUASHENG BAO editor said that this article was published "without changing a word." We now reprint it for our readers according to a photocopy. [end editor's note]

This year is the 30th anniversary of the "double-hundred" policy. On 28 May 1956, the "double-hundred" policy of the central authorities was conveyed to the masses through a report delivered by Comrade Lu Dingyi. Ten years later, that is, in 1966, there was a 16 May "circular," and the "Great Cultural Revolution" was launched. This was another "milestone." After another 10 years, in 1976, the "gang of four" was smashed. Since then, 10 more years have passed. On this occasion, I think it is of great significance for us to look back on the path we have followed and the setbacks we have met with in implementing the "double-hundred" policy and to sum up our experiences and lessons in this respect.

Many comrades have asked: Why is it so difficult to implement the "double-hundred" policy, and why have we met with so many setbacks over the past decades? The reason for all this calls for our deep thought. I have an idea. Perhaps, we have sometimes overestimated the great significance of this date.

Why do I say this?

At the fourth national conference of the writers' association held by the end of 1984, central leading comrades made some very good speeches, emphasizing "freedom of creation" and "free literature." The participants were greatly inspired, and some were even moved to tears. I was also very glad at that time, expecting that a spring breeze might also come into the theoretical and press circles, since it had come to the literature and art circles. From freedom of creation, I thought of freedom of academic research. It seemed that all these problems should be placed on the agenda. However, things were not developing as smoothly as expected. At that time, many writers wrote articles to express their appreciation, but some had another kind of feeling. For example, a writer wrote an article entitled "For the Third Time I Hear Freedom of Creation." This title itself gives much food for thought. Later I was asked by WENYI BAO to write something for a special column about what the writers were reading and thinking of at that time. I wrote one, saying that I was reading the Constitution of the PRC, because it mentions freedom of creation. The new Constitution adopted in 1982 clearly stipulates that "citizens of the People's Republic of China have the freedom to engage in scientific research, literary and artistic creation, and other cultural pursuits." This is a right of the citizens provided by the Constitution. All political parties, social groups, and individuals should keep their activities within the bounds of the Constitution and take the Constitution as the code of conduct. There is also a similar stipulation in our party Constitution.

After the Constitution was adopted in 1982, many articles said that our party should and would act in accordance with the Constitution. But it seemed that there were no such strong repercussions in literature and art circles, and people in these circles were not so greatly inspired. I often felt that there was something unusual in this regard, compared with the situation after the fourth national conference of the writers' association. Was the Constitution not even as authoritative as the speeches of certain leaders? Freedom of creation is a right of the citizens, which is guaranteed by the Constitution. It is not bestowed and cannot be abolished by any person. What is more authoritative, the Constitution or the speech of a certain leader? Of course the former is. The Constitution is the fundamental law of our country and is certainly the most authoritative of all. Unfortunately it is often forgotten by people, and the speeches of leaders unusally play a greater role than the Constitution. This is where the problem lies. I think this is one of the reasons that the "double-hundred" policy is difficult to implement.

We should not regard the "double-hundred" policy as merely a policy of the party. Freedom of speech and freedom of scientific research and literary and artistic creation are all basic civil rights and belong to our country's democratic system. We must understand the problem on such a high plane. If it is a mere policy of the party, people may have an impression that it is a kind of favor. Since freedom can be bestowed, it can also be taken away. The party's policies can be changed, and they have been changed. Thus, people are afraid that this policy may also be changed. This is how ordinary people feel about it. It is necessary to make a change in this mentality. If we say that freedom is bestowed by the Constitution and it is a civil right that cannot be expropriated, things will be entirely different. Which should be placed above the other, the party, or the Constitution? Of course, the Constitution is above the party. The party should take the Constitution as the basic code of conduct. Of course, the Constitution is worked out under the leadership of the party. But the leadership of the party is bestowed by the people. This is also part of the

Constitution. Party leadership is legal only when it is in conformity with the Constitution.

When discussing the Constitution, some people suggested that "letting a hundred flowers blossom and a hundred schools of thought contend" should be included in the Constitution. It seems that this might be safer. On this question, Comrade Peng Zheng gave an answer in his report delivered in 1982 on revision of the Constitution. He said: The reason why the policy of "letting a hundred flowers blossom and a hundred schools of thought contend" is not included in the articles concerning cultural undertakings is that we have considered the following fact: on the rights of the citizens, the Constitution has already stipulated that the citizens enjoy freedom of speech, of the press, and have the freedom to engage in scientific research and literary and artistic creation. This is an expression of this policy in a broader sense and in legal terms.

I am a favor of this explanation. The phrasing of "letting a hundred flowers blossom and a hundred schools of thought contend" is only used by Chinese. There is no such phrase in foreign constitutions, but we cannot say that they encourage letting only one flower blossom and only one school of thought exist. The Constitution stipulates that the citizens enjoy freedom of speech, of the press, and have the freedom to engage in scientific research and literary and artistic creation. Does this not mean to "let a hundred flowers blossom and a hundred schools of thought contend?" It has an even broader sense. The Constitution expresses this idea in more precise language and in legal terms. "Letting a hundred flowers blossom and a hundred schools of thought contend" is a vivid and artistic expression based on an ancient phrase. The advantage of it is that it can be easily understood and remembered. I am also in favor of continuously using the phrasing of the "double-hundred" policy, but in the Constitution, it is necessary to use legal expressons, that is, civil rights, freedom of speech, of creation, and of scientific research.

Later, when I checked previous documents, I found that this is not only a stipulation of the 1982 Constitution, but also a stipulation of our first Constitution adopted in 1954. Article 87 of that Constitution says: "The citizens enjoy the freedom of speech, of the press, of assembly, and of association. The state provides material conditions to protect this freedom." Article 96 also says: "The People's Republic of China protects the freedom of the citizens to engage in scientific research, literary and artistic creation, and other cultural pursuits."

From this we can see that in 1954 we already stressed that citizens enjoy freedom of speech and creation. The double-hundred policy was put forth in 1956. However, people usually do not have a deep understanding of the 1954 Constitution but have a deeper understanding of the "double-hundred" policy. This is where the problem lies.

Adopting a constitution is a great event, which can exert a great influence on the people's political and cultural life. In other countries, people have to engage in serious struggles in order to have a good Constitution. The adoption of a new constitution is often followed by great changes in the people's life. But what is our situation? People usually do not feel any changes before and after adopting a constitution. After the 1954 Constitution was adopted, it was not conscientiously carried out. For example, in handling the "Hu Feng case," as well as in the debates and criticism on some scientific questions, we did not strictly follow the Constitution. For this reason, when our party put forth the "double-hundred" policy in 1956, people felt that it was a new thing. The same thing also happened later. The 1982 Constitution stipulates that people have the freedom to engage in literary creation, but this was not well implemented, and it became a problem. Therefore, when the leading comrades reiterated this matter at the national conference of the writers' association, people felt it was a new thing and got excited. This shows that constitution was forgotten, or was not well implemented.

Perhaps we can find out from this the reason why the "double-hundred" policy has not been carried out smoothly. We must not regard the "double-hundred" policy as an isolated one, but must link it with the course of democratizing the political life of our country and with the overall situation of our political life. Only thus can we understand why it is so difficult to implement this policy.

Many people say that the "double-hundred" policy was put forward by Mao Zedong. In 1957, he also made a speech on the contradictions among the people. What he said was pretty good, but the point is that it was not implemented. This is part of the problem. We still want to ask: Why was it not implemented later?

In my opinion, in both the report delivered in 1957 on contradictions among the people and the speech at the national conference on propaganda work, there was already something inconsistent with the spirit of "letting a hundred schools of thought contend." There were already some seeds of error. The changes which took place later were, on the one hand, a negation of "letting a hundred schools of thought contend" and, on the other, development of certain erroneous factors and leftist ideas of the report on the contradictions among the people. For example, the "double-hundred" policy implies the meaning of "the free development of various artistic forms and styles and free contention among various schools of thought," which is also "freedom of speech" and "freedom to engage in scientific research, literary and artistic creation, and other cultural pursuits" prescribed by the Constitution. It is true that Mao Zedong made an explicit exposition on this question and made it clearer. But after all, it had already been prescribed by the Constitution. However, in the report on the contradictions among the people, without saying a word about the civil rights prescribed by the Constitution. For another example, originally, "letting a hundred schools of thought contend" implies the meaning of contention between Marxist and non-Marxist viewpoints on the basis of equality. Later, some revisions were made on the report, and six political criteria were added to it. But these criteria did not include "adhere to or oppose Marxism." In other words, opposing Marxism was still not regarded as a political problem. However, in some other places, "a hundred schools of thought" was interpreted as: In the final analysis, there are only "two schools of thought": the bourgeois school and the proletarian school. This problem was discussed some years ago, and I would like to add something here. That is, not only "a hundred schools of thought" was changed into "two schools of thought," but also, it was said that "the bourgeoisie will transform the world according to its world outlook, and the proletariat will also transform the world according to its world outlook." What does this mean? It means that the people with a bourgeois world outlook will transform China according to the capitalist world outlook and restore capitalism, or, in other words, will take the capitalist road. Therefore, this is a class struggle, and the question was not included in the six political criteria, people may draw an inference from the above-mentioned remarks. Thus, the intellectuals were unlucky, because most of them "have basically a bourgeois world outlook and belong to the category of bourgeois intellectuals."

This viewpoint is also quite inconsistent with other remarks in the two reports. The speech at the national conference on propaganda work said that "the great majority of intellectuals, more than 90 percent of the 5 million intellectuals, are in favor of a socialist system in varying degrees." It also said: "Some idealists may also be in favor of the political and economic systems of socialism, though they are not in favor of the Marxist world outlook." This means that people with a bourgeois world outlook may also support socialism and will not necessarily transform socialist China according to the bourgeois world outlook.

Obviously, the latter viewpoint is more perfect, sober, and reasonable. Unfortunately, in the later developments beginning from the anti-rightist struggle to the 16 May "circular" 20 years ago, the former viewpoint prevailed over the latter. The "circular" said: "The proletariat exercises dictatorship over the superstructure, including various cultural spheres... Our struggle against them cannot be but a life-and-death struggle. Our relations with them cannot be relations of equality, but can only be relations characterized by one class oppressing another, or by the proletariat exercising autocratic rule or dictatorship over the bourgeoisie."

This runs counter to both the Constitution and the ideas put forth in the well-known report on correctly handling contradictions among the people. In 1957 we said that the contradiction between ourselves and the national bourgeoisie comes under the category of contradictions among the people, because exploitation constitutes one side of the dual character of the national bourgeoisie, while its support of socialism and the Constitution constitutes the other. Since it is a contradiction among the people, it cannot be solved by means of dictatorship. However, in the 16 May "circular," it suddenly became a life-and-death struggle. No more "contention among a hundred schools of thought" was allowed, because the proletariat would exercise autocratic rule or dictatorship over the super-structure and the cultural spheres. There would be no more equality, and both the "double-hundred" policy and democracy in political life had come to an end. The 16 May "circular" was not a party resolution. Even if it were, it should also conform to the Constitution. However, a mere "circular" was able to abrogate the Constitution and write off the previous remarks at one stroke.

There are many focused theoretical problems in this respect. Some people may have bourgeois ideas, but this does not mean that they will certainly transform China into a capitalist country. If all ideas are concluded to be ideas of certain classes and regarded, on a higher plane of principle, as having something to do with seizing political power, then, what else can people say? Later, the gifted scholars and beautiful ladies on the stage as well as ghost plays were all involved. They were regarded as very serious problems concerning whether China would change its color. Therefore, Jiang Qing made great and meritorious contributions in the "Cultural Revolution" by encouraging some model plays, because she had driven away the gifted scholars and beautiful ladies, who wanted to restore capitalism in China. All capitalist ideologies, without exception, were regarded as tools for restoring capitalism in China and for whipping up capitalist opinions. All gifted scholars and beautiful ladies on stage as well as all ghost plays were also serving the restoration of capitalism. As a matter of fact, this viewpoint does not hold water. In Chinese, "restoration" means to bring back the missing crown. Since capitalism has never been in the ruling position in China, how can we "restore" it? Moreover, the gifted scholars and beautiful ladies on stage are feudalist things. If they want to restore something, they should restore feudalism rather than capitalism. But we never say "restore feudalism." We only say "restore capitalism." Later, Jiang Qing practiced autocracy in the cultural field. All capitalist things were abolished and all things foreign were banned. The 800 million people had only 8 model plays to see. It seems that social ideology was unprecedentedly pure, without any bourgeois pollution. In fact, many bad things developed right in that period. The serious corruption of our party style also began from that period.

Therefore, when summing up the experiences and lessons of the "Great Cultural Revolution" and its causes in the 1981 "Resolution on Certain Questions in the History of Our Party," we only wrote "the evil ideological and political influence of centuries of feudal autocracy" without mentioning the influencing of bourgeois ideas and the corrosive influence of capitalism, because we could only say so. We must realize that the greatest disaster over the past 30 years was the "Great Cultural Revolution," which was an outcome of the evil influence of feudalilsm. Therefore, feudalist ideas are much more harmful than bourgeois ideas.

The "resolution" also says: A reason for the "cultural revolution" was that we failed to institutionalize and legalize inner-party democracy and democracy in the political and social life of our country, or we drew up the relevant laws but they lacked due authority. In other words, we also stressed democracy, but did not institutionalize it. We also had a constitution, but it did not have due authority and could be negated at will. I do not know whether we have all noticed that in the 1957 report on contradictions among the people, there was not a word about the personality cult. Normally, it should have been mentioned, because the report was aimed at summing up the experiences and lessons of the Soviet Union, and the problems of personality cults was not well solved in that country. The main mistake of Stalin was his personality cult. In 1956, the article "On Historical Experiences of Proletarian Dictatorship," which was written by the RENMIN RIBAO editorial board, pointed out: One of Stalin's mistakes was that he trod the legal system underfoot and placed himself above the law, resulting in the broadening of the scope of the movement to eliminate counterrevolutionaries. If we really wanted to learn a lesson from the Soviet Union, we should find out why the scope of the movement to eliminate counterrevolutionaries had been broadened. If the law had been strictly observed, very few people would have been wronged! In his report on revision of the party Constitution, which was delivered at the Eighth CPC National Congress, Comrade Deng Xiaoping said that it is necessary to overcome the trend of personality cults. But in the 1957 report, there was not a word about preventing and opposing personality cults. In the 1960's, when revisionism was criticized, it seemed that it was wrong to critize personality cults, and those who advocated personaility cults seemed to be correct. The leader had the supreme authority, while the Constitution did not have due authority. Because of this, a "circular" could turn the Constitution into a mere scrap of paper, and the chairman of the state was dismissed unaccountably.

The 1981 "resolution" also says: "Due to the failure to handle the relationship between the party and its leader correctly," and "due to the overconcentration of party power in individuals and the development of arbitrary individual rules and the personality cult in the party, it was hard for the party and state to prevent the initiation of the 'Cultural Revolution' or check its development." This conclusion is correct. But I feel that it is still necessary to add something to it. In the past, not only the relationship between the party and its leader, but also the relationship between the people, the party, and the leader, were not correctly handled; and not only did the party and state find it hard to prevent the initaion of the "Cultural Revolution," but also the people did not have strength to prevent that disaster. After all, the people are masters of the country, and they should play their due role as masters! However, they could not and even did not want to stop its development. I think this is where the problem lies.

In December 1978, Comrade Deng Xiaoping made a report on the eve of the third Plenary session, in which he said: "To ensure people's demcocracy, we must strengthen our legal system. Democracy has to be institutionalized and written into law, so as to make sure that institutions and laws do not change whenever the leadership changes, or whenever the leaders change their views or shift the focus of their attention." ("Selected Works of Deng Xiaoping," p 136) This is a very good summary of past experiences.

My conclusion is that we must not merely keep the party's "double-hundred" policy in mind and forget or neglect the civil rights prescribed by the Constitution, otherwise we cannot really recognize our duties. In the past, we took a passive attitude and waited for somebody to grant us this right. As a result, the following phenomenon appeared: One day we were allowed to speak, and the next day we were not. At present, the peasants are afraid that our policies my change, and so are the intellectuals. This is not normal, Why? Can we not have our distiny in our own hands? Since most peasants and intellectuals do not want to have the changes, why should there be? (I refer to changes that bring us back to the past.) [paragraph continues]

The people are the masters of our country. We have a National People's Congress, and one-third of the people's delegates are peasants. There are also many intellectual delegates. The people's congresses have to exercise their power. The people have the right to check all acts that run counter to the constitution and their will.

This is by no means a negation of party leadership, but a requirement of party leadership. At the meeting to mark the 60th anniversary of the founding of the CPC, Comrade Hu Yaobang said: "Essentially, party leadership in state life means to organize and support the people to act as the masters of their houses and to build a new socialist life." The party is the leading force, and the people are the main body of rights [quan li de zhu ti 2938 0448 4104 0031 7555]. We must acquire this basic idea and understand that we are the masters of our own houses. Both the authority of the Constitution and the rights of the masters should be protected. When we are conscious of this, the past tragedies will not be repeated in the future. I think, this is perhaps one of the most important experiences and lessons for us in the past 30 years.

(This article is part of a speech made by the author on 28 May this year, published after his revision.)

PRC PUBLISHES NEW EDITION OF MAO ZEDONG WORKS

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[Text] Beijing, 8 Sep (XINHUA) -- "Selected Readings From the Works of Mao Zedong" compiled by the Editorial Committee on Party Literature of the CPC Central Committee has been published by the People's Publishing House and will be distributed by XINHUA bookstores in various parts of China.

This new edition of the "Selected Readings" was compiled and published to provide large numbers of cadres and young people with the right textbook to study Mao Zedong's works. It is also designed as a theoretical teaching material for schools at secondary or higher levels and for cadres receiving rotational or in-service training.

Sixty-eight articles, totaling 580,000 Chinese characters, written by Mao Zedong between 1921 and 1965 were selected and incorporated in the 2-volume edition in accordance with the spirit of the "Resolution on Certain Questions in the History of our Party Since the Founding of the PRC" adopted by the 6th Plenary Session of the 11th CPC Central Committee. Most of the articles were selected in full while a small number was selected as excerpts.

Every effort was made to include in this new edition the most important and fundamental scientific works written by Mao Zedong in various historical periods. The book emboides Mao Zedong Thought and is the scientific result of combining the fundamental tenets of Marxism-Leninism with the concrete practice of Chinese revolution and construction. Articles of the First Revolutionary Civil War period selected in the new edition scientifically analyze various classes in Chinese society by means of Marxist-Leninist class analytical approach. They demonstrate that the question of peasants was the central issue in the Chinese revolution. They develop the Marxist-Leninist concept on the proletariat's leadership in democratic revolution and tentatively put forth the basic concept concerning the general line of the new democratic revolution. Articles on the Second Revolutionary Civil War period explain that armed struggle was the main form of the Chinese revolution. They point our and explore the Chinese revolutionary path of using the countryside to encircle and ultimately seize the cities. They expound on theories on building the party and and the people's army and put forth the tactics of the national united front against Japan.

They establish for the first time the idea and principle of seeking truth from facts, of following the mass line, and of maintaining independence and keeping the initiative in one's own hands. They expose the mistakes of "left" and right deviations, especially the errors of the "left" deviationist dogma. Drawing lessons from the two victories and two failures in CPC history, they correctly resolve the issue concerning the party's ideological, political, and military line. They enrich and devlop Marxist-Leninist epistemology and dialectics.

Articles on the period of the war of resistance against Japan expound on the policy and tactics of the national united front against Japan; lay down the strategy of conducting protracted war and independent guerrilla warfare; and elaborate on the concept of people's war, of mobilizing and relying on the people. They resolve a series of policy issues concerning construction in the revolutionary bases and systemically and comprehensively elaborate on the theory of the new democratic revolution. They put forth the theory and principles of conducting the reactification campaign and stress the need to approach Marxist-Leninist tenets realistically rather than dogmatically. They discuss the three important work styles of integrating theory with practice, forging close links with the masses, and practicing self-criticism. They also clarify important concepts of far-reaching significance in the ideological, political, and cultural fields.

Articles of the period of the war of liberation clearly and systemically expound on the tactics of strategically despising the enemy but tactically taking them seriously and scientifically summarize the strategy and tactics of people's war. They programatically explain the series of major issues waiting to be resolved in bulding a new democratic China. They stipulate the fundamental policies that should be adopted in political, economic, and diplomatic fields after the party's nationwide victory. They point out the direction of China's development from a new democratic society to a socialist society and put forth and elaborate on the theory of people's democratic dictatorship.

Articles of the period of socialist revolution and construction lay down the general line of the CPC in the transitional period and tentatively explore the path of socialist construction suitable to China's conditions. They emphasize the need to strictly distinguish between and correctly handle the two types of contradictions -- those between ourselves and the enemy and those among the people -- and make the correct handling of contradictions among the people a major subject in China's political life. From the high point of philosophy, they summarize various experiences of revolution and construction and put forth a number of new important generalizations on epistemology and dialectics.

The new edition of "Selected Readings" contains 17 articles not included in the "Selected Works of Mao Zedong," some of which have never been published before. Among these articles, "Speech at the Changsha Membership Meeting of the Xinmin Society" is an important document that symbolizes Mao Zedong's choice of the Marxist-Leninist revolutionary road. "Speech at the Central Emergency Meeting" sets forth the idea that political power grows out of the barrel of a gun and is of great significance in enabling Chinese Communists to recognize the characteristics and road of the Chinese revolution. "Political Integrity and Professional Proficiency" is taken from the "60-point Decision on Methods of Work (Draft)" and contains important theoretical principles to analyze social contradictions. "Inner-party Newsletter" is a major document prepared by the party Central committee after the Zhengzhou Conference of 1959 to correct the "left" mistakes in the course of the "Great Leap Forward." In the new edition of "Selected Readings," the Speech at the Changsha Membership Meeting of the Xinmin Society" of January 1921 is the first article. This is a break from the traditional method of using "Analysis of the Classes in Chinese Society" as the lead article in compiling all other selections, including the "Selected Works of Mao Zedong" and the A and B editions of "Selected Readings From the Works of Mao Zedong."

The explanatory notes on the titles and the footnotes of the articles in the "Selected Works of Mao Zedong" that are included in the new edition of "Selected Readings" have been drastically revised and expanded to enhance their accuracy in regard to historical facts. In addition, some biased comments have been corrected. For the articles selected from outside the "Selected Works of Mao Zedong," the explanatory notes on the titles and the footnotes have also been revised or newly written. In some cases, important commentaries and explanations have been provided in the revised or newly written explanatory notes and footnotes. Each article in the new edition of "Selected Readings" has an end note added explaining the edition or the manuscript the article is based on and, as in some cases, describing the principal editions of the article. This is not found in past editions of the "Selected Works of Mao Zedong." In addition, the new edition of "Selected Readings" has also corrected several wrong characters found in the articles and the wrong publication dates used for some of the articles in the past.

Many of the major works of Mao Zedong were written decades ago, but they still require our constant study. The many fundamental tenets, principles, and scientific methods expounded on in these works are of universal significance. They will play a major guiding role for us now and in the future. These works of Mao Zedong should be studied in combination with the works of Marx and Lenin; the works of Zhou Enlai, Liu Shaoqi, Zhu De, Deng Ziaoping, and Chen Yun; and the important documents of the party since the 3d Plenary Session of the 11th CPC Central Committee.

Readers who want to get a deeper understanding and conduct further study of the Mao Zedong's works may still read the "Selected Works of Mao Zedong" and the various special collections of the works of Mao Zedong. The special collections of Mao Zedong's works published in recent years include "Collection of Rural Investigation Articles of Mao Zedong," "Collection of Mao Zedong's Articles on Journalistic Work," "Selected Letters of Mao Zedong," and "Selected Poems of Mao Zedong." Several more special collections will be published one by one in the future.

BOOK ON MAO ZEDONG TRANSLATED INTO ENGLISH

OW100553 Beijing XINHUA Domestic Service in Chinese 0135 GMT 8 Sep 86

[Text] Beijing, 8 Sep (XINHUA) -- The book "Mao Zedong -- A Brief Biography, Appraisal, and Memoir," edited by Zhong Wenxian, has been translated into English, published by the Foreign Language Press, and will soon be distributed at home and abroad by the China International Book Trading Corporation and the Foreign Language Bookstore. This is the first reading material that China has thus far published in a foreign language to give a relatively comprehensive and matter-of-fact account and appraisal of what Mao Zedong did throughout his life. The book contains 20 articles divided into 3 parts.

The first part consists of Mao Zedong's brief biography and an autobiography he relayed orally. The brief biography, written by the book's editor, gives an account of Mao Zedong's life story. The autobiography is actually the first chapter, "The Career of a Communist," in "Travelogue on a Trip to the West," which was relayed orally by Mao Zedong and written down in English by the noted American journalist Snow in 1936. Historical facts in the autobiography have been checked and revisions made where necessary by Wu Liangping, who was Mao Zedong's interpreter at that time.

The second part, an appraisal of Mao Zedong, contains two articles. One is "Learn From Mao Zedong," a speech made by Zhou Enlai in 1949 on the eve of the victory of the Chinese revolution.

The other article is Deng Xiaoping's "On Mao Zedong and Mao Zedong Thought," comprising several important speeches he has made in recent years dealing with this subject.

The third part contains memoirs. The writers include Mao Zedong's old subordinates, bodyguards, relatives, and children as well as democratic personages, scientists, men of letters, peasants, and young cadres who had contact with him. The book contains 160,000 characters with 70 pictures showing Mao Zedong's deeds. Besides the English edition, the book will also be published in other foreign languages.

DENG INSCRIBES TITLE OF MAO ZEDONG'S READINGS

OW080622 Beijing XINHUA in English 0544 GMT 8 Sep 86

[Text] Beijing, September 8 (XINHUA) -- "Reading: Mao Zedong's Hobby," published by the Joint Book Company, will be available in major Chinese cities tomorrow. Based on records, memoirs, and archive files compiled by the party literature research center of the Chinese Communist Party Central Committee, the book describes the late chairman's reading habits and reflects his ideology.

According to the new book, throughout his life Mao Zedong studied Marxist-Leninist works, philosophy, logic, economics, literature, history and the natural sciences, as well as his self-study of English. The title of the book has been written in senior Chinese leader Deng Xiaoping's calligraphy. A total of 70,000 copies have been printed, according to the Joint Book Company.

YOUTH PAPER INTERVIEWS WRITER LIU ZAIFU

HK100903 Beijing ZHONGGUO QINGNIAN BAO in Chinese 31 Aug 86 p 1

[Report by Luo Qianglie and Han Lei: "Deep Thinking: Facing the Second Decade of Literature in the New Period -- an Interview With Noted Literature and Art Theorist Liu Zaifu"]

[Text] Before the noteworthy "Academic Symposium on China's Literature in the New 10-year Period" opened, the symposium gave us an opportunity to interview Liu Zaifu, who was about to deliver a long academic lecture entitled "The Main Trends in Literature and Art in the New Period."

On entering his home, you would not believe that it is the home of a famous literary theorist and the director of the Literature Institute of the Chinese Academy of Social Sciences, because there is nothing different from an ordinary intellectual's home except that there is a butter-colored telephone. But when you listen to him talking about literature in the new period with the feelings of a poet and the wisdom of a philosopher, you will certainly find that you are in an enchanting place.

Reviewing the achievements in literature in the first 10 years of the new period, Liu Zaifu said that our literature is growing from a desert, so it is never an easy thing. Our writers and critics have consciences and a sense of responsibility, and they have begun to bring to an end the period of deception and of advocating false, big, and empty things. They work together with the people to heal the wounds of the nation, and our socialist literature has stood up again in the world.

When fully affirming the achievements in the first 10 years and talking about his hopes for the second 10 years, Liu Zaifu assumed the serious expression of a critic. He said that through the coming symposium, we will remind each other that the second 10 years will advance on the shoulders of the first 10 years. That is, with a higher starting point, the requirements for things in next 10 years will also be higher. If the first 10 years represented a period of exploration, then the second 10 years should be a period of more remarkable development on the basis of further exploration. In the next 10 years, we should introduce our literature of the new period to the whole world and make it part of world literature. For this purpose, Liu Zaifu said that three issues should be properly solved.

First, in the first 10 years, our writers were sufficiently prepared in their feelings, but they did not have sufficient knowledge of a general kind. The great Chinese writers in the "May 4" period, such as Lu Xun, Guo Moruo, and Mao Dun, all had rich cultural knowledge about things Chinese and foreign and ancient and contemporary. The second insufficiency is that the artistic and personal ideals of writers are not lofty enough. Many writers are apt to become content with their achievements and existing circumstances. They want merely to protect their honor, and their talent, ability, and artistic ideals are eroded by external values. The third thing our writers lack is a spirit of protracted hard work and great tenacity. The major task of writers and critics is to carry out unceasing exploration, puruue higher realms, and make continous advances. They should not be too eager for quick success and instant benefit. At present some young and talented people are apt to become self-satisfied and complacent. They lack mental preparation against crises, do not think deeply, and have no intention of making further advances. They also lack retrospection.

Second, Liu Zaifu held that retrospection in the first 10 years was mainly politicly retrospection, which was mainly reflected in the hatred of the "gang of four" and of the disaster it brought to our nation. The retrospection in some literary works remained at a low level, with some people still thinking with a slavish mentality rather than with a sense of being master and from a viewpoint of political reform. Meanwhile, cultural retrospection is now also going on in depth. Liu Zaifu said that we should be able to carry out self-examination and repentance, like Ba Jin. Retrospection should begin from the writer himself as a member of the nation, and writers should realize that "they themselves are also responsible." Writers should not regard themselves as "onlookers." They should realize that the tragedy of the "Cultural Revolution" occurred on the basis of our intrinsic psychology and cultural conditions. In the second 10 years of the new period, we should concentrate on transforming our nation's cultural psychology. Ths is the expression of our writers' conscience and sense of responsibility.

Third, Liu Zaifu held that in the second 10 years, we will find an internal mechanism which can change our traditional things into modern things, and will seek a modern pattern for our nation's culture. It is too genral to talk about critizizing or carrying forward the old things. It is better to use the term "changing." We should proceed from analyzing and transforming modern Chinese people's cultural and psychological structure. Liu Zaifu added that reform in literature does not mean that all literary works should describe reform; rather, it should: first, create favorable external conditions for promoting literary creation; and second, guide literature and art to play a promotive role in our country's development. In particular, transforming the cultural and psychological structure of the Chinese people will enable people to win their "mental emanicipation."

YU QIULI, DENG LIQUN ON MARXIST LITERATURE, ART

OW120223 Beijing XINHUA Domestic Service in Chinese 1158 GMT 10 Sep 86

[By reporter Li Derun]

[Text] Beijing, 10 Sep (XINHUA) -- Yu Qiuli, member of the CPC Central Committee Political Bureau and director of the PLA General Political Department, and Deng Liqun, member of the Secretariat of the CPC Central committee, stressed that like the socialist modernization program, socialist literary and art work heeds the guidance of Marxism and Mao Zedong Thought. This constitutes a fundamental guarantee for the development of socialist literary and art work, they said.

Yu Qiuli and Deng Liqun attended a report meeting held on 9 September in Beijing to mark the establishment of the Research Institute on Marxist Literary and Art Theories and the inauguration of the magazine "WENYI LILUN YU PIPING [2429 5669 3810 6158 5280 2106 6097 LITERARY AND ART THEORIES AND COMMENTS]" and both addresed the meeting. Yu Qiuli said: In the years of the revolutionary war, our party and army had very poor weapons and equipment and extremely hard living conditions, but they were all-conquering and invincible and were able to win a great victory. What did they depend upon to do this? The most important thing was the guidance of Marxism and a firm faith in communism. We depended upon this in the past. We still depend upon this now and will continue to depend upon this in the future. Yu Qiuli continued: We should learn how to develop Marxism in the course of debates and discussions and should fully believe that the masses are able to tell right from wrong and develop the truth. He expressed the earnest hope that literary and art theoreticians would follow the mass line, link themselves with the masses, keep to the orientation of integrating theory with practice in operating the institute and running the magazine, and press on ceaselessly to open up new situations and make fresh achievements through industrious work.

Deng Liqun said in his speech: We should seek the truth under the banner of Marxism. In the course of seeking the truth, no one can avoid mistakes. What is important is to correct the mistakes and continue to seek the truth under the banner of Marxism. Deng Liqun said that upholding the truth and correcting mistakes are virtues of communists, and these virtues accord with their firmness in upholding correct theories and with their advocacy of the need to pay attention to work ethics in performing ideological and cultural work. In addition, Deng Liqun emphasized: With regard to Marxism, it is imperative to uphold and develop it. We should develop it while upholding it, and we should uphold it in the course of developing it. The basic Marxist tenets should not be violated at any time. If we were to violate them, we would commit mistakes and take a roundabout course. Marxism develops without cease. It should incessantly study and answer the new questions appearing in the course of practice and should use new practical experience to enrich incessantly its own contents. Upholding Marxism and developing Marxism are in conformity with each other. Only when we really uphold the fundamental stand, viewpoint, and method of Marxism, is it possible to develop Marxism properly. Only by making ceaseless efforts to integrate Marxism with new practice and to enrich it with new practical experience can we genuinely uphold it.

Responsible persons from the units concerned of the literary and art, social science, and publishing circles as well as writers and literary and art theoreticians in the capital, numbering more than 200 in total, attended the meeting.

At the meeting, both Lu Meilin, director of the Research Institute on Marxist Literary and Art Theories, and Chen Yong, chief editor of the magazine "WENYI LILUN YU PIPING," vowed to unite the broad masses of workers on literary and art theories and see to it that they make positive contributions to learning, studying, publicizing, and popularizing the basic Marxist theories and literary and art theories; to accumulating, studying, and using as a reference the related foreign ideologies and cultural achievements; and to upholding and developing the Marxist literary and art theories.

PLA TO SELECT OUTSTANDING SQUAD LEADERS

HK080827 Beijing RENMIN RIBAO in Chinese 3 Sep 86 p 4

[Report by correspondent Wang Zhongren: "The PLA To Select Outstanding Squad Leaders -- A Move To Strengthen Armed Forces Building"]

[Text] The People's Liberation Army will carry out an army-wide activity to select outstanding squad leaders and to propagate and commend a group of outstanding squad leaders who ardently love the army and are dedicated to the cause of national defense. This was announced by a leading comrade from the General Staff Headquarters at a selection committee meeting held in Beijing on 2 September.

The activity, the first of its kind to be held throughout the army, is jointly sponsored by the magazine "JIEFANGJUN SHENGHUO" (LIBERATION ARMY LIFE) and the Central Television Station. Six hundred outstanding squad leaders are to be selected between now and the end of this year.

The aim of conducting the activity is, through commending outstanding squad leaders who have made distinctive contributions to army building, to give publicity to their advanced ideas of ardently loving the army and being dedicated to the cause of national defense and their work experiences, to inspire and mobilize the initiative and creativity of hundreds of thousands of squad leaders throughout the army, and to promote and strengthen the building of the ranks of squad leaders.

The requirements for an outstanding squad leader are that he must ardently love the army, devote himself to the cause of national defense, be dedicated to his duty; must charge at the head of his men, play an exemplary and leading role in all respects; must manage to carry out troop training on a scientific footing, be good at scientific management, and strive to turn his squad into an advanced unit; must have an ardent love for his men, a good democratic work style, and be good at doing ideological work; and must observe discipline and abide by the law and brilliantly fulfill tasks in all areas, including fighting and training. Any squad leader who is up to any one of the aforesaid requirements can be selected as an outstanding squad leader.

Out of the prospective outstanding squad leaders, each major PLA unit will select one or two representatives to go to Beijing to receive awards and to participate in "the all-army outstanding squad leader speech emulation" activities.

YANG DEZHI INAUGURATES MOUNTAINEER-TRAINING BASE

OW100317 Beijing XINHUA Domestic Service in Chinese 1330 GMT 6 Sep 86

[By reporters Zhang Xudong and Li Hepu]

[Excerpts] Beijing, 6 Sep (XINHUA) -- China will build a modern mountaineer-training base in Beijing. Today, Yang Dezhi, chief of general staff of the Chinese PLA and honorary president of the Chinese Mountaineering Association, inaugurated the Huairou training base of the Chinese mountaineering team and personally shoveled earth for the foundation of a statue of a mountaineer to be erected there. [passage omitted] The training base of the Chinese mountaineering team is located to the east of the picturesque Huarirou Reservior in Beijing. When completed, this modern training base will train Chinese mountaineers. It will serve as a learning and training place for mountaineering enthusiasts and as a place to conduct international exchanges in the field of mountaineering.

Responsible persons from the State Physical Culture and Sports Commission, the All-China Women's Federation, the CYLC Central Committee, and the All-China Federation of Trade Unions as well as coaches and members of the Chinese mountaineering team attended the ceremony held here today to mark the 30th anniversary of China's mountaineering activity and the inauguration of the team's Huairou training base.

RESERVE FORCES OFFICIALLY INCLUDED IN PLA SYSTEM

OW100423 Beijing XINHUA Domestic Service in Chinese 2318 GMT 7 Sep 86

[By reporters Su Xinfa and Gai Yumin]

[Text] Beijing, 8 Sep (XINHUA) -- Our country's newly organized reserve divisions and regiments have been officially included in the PLA organizational system and given designations and colors. This was disclosed by a responsible person of the Mobilization Department under the PLA General Staff Department.

The reserves have been organized since 1983 in accordance with a decision of the Central Military Commission. This is a major measure to strengthen the reserve forces for national defense after reducing the standing army as well as an important form of organization in instituting a mobilization system with distinctive Chinese characteristics. With soldiers on active duty as their mainstay and officers and men on reserve duty as their foundation, these reserve divisions and regiments are soundly and strictly organized and systematically trained. They can quickly turn into active-duty forces to carry out fighting tasks when needed. Officers and men of the reserve forces work in their civilian positions in peace time. By organizing the reserves, it is possible to save much in expenditures. This is conducive to both national economic and defense construction.

Our country's reserves have developed into a new-type force of a considerable size. Party committees and other working offices have been set up in most of the reserve divisions and regiments, and they are working according to regulations. After being included in the PLA organizational system, the reserve forces will play an important role in national economic and defense construction.

YANG DEZHI ARTICLE ON LONG MARCH ANNIVERSARY

OW101112 Beijing Domestic Service in Mandarin 2235 GMT 7 Sep 86

[Article by Yang Dezhi, PLA Chief of General Staff, entitled: "Continue To Forge Ahead in the Course of the New Long March" for a special program marking the victory of the Red Army's Long March]

[Text] Fifty years have passed since the beginning of the Long March in October 1934 to its end in October 1936 when the three major branches of the Red Army joined forces. The Long March was a great historical feat accomplished by the Chinese nation under the leadership of the Communist Party of China at a crucial moment of life and death. It decided the destiny of China.

At that time, the First, Second and Fourth Front Army of the Chinese Workers' and Peasants' Red Army, as well as the Red Army's 25th Army Corps resolved to march northward to fight a war against Janpanese aggression and for national salvation under extremely difficult conditions. They marched 25,000 li and covered an area of 11 provinces. During their march, they crossed snow-capped mountains and pathless grasslands, sustained untold hardships and frustrated the enemy's repeated encirclements, pursuits, obstructions and interceptions. The Long March finally ended with the enemy's failure and our victory. As one of the participants in the Long March I myself, even now, still feel excited and proud of our victory.

The victory of the Long March laid a foundation of achieving victory in the war of resistance against Japanese aggression and overthrowing the three big mountains [imperialism, feudalism and bureaucrat-capitalism, which weighed like mountains on the backs of the Chinese people before liberation]. It also profoundly influenced the International Communist Movement, adding a glorious, colorful page in the annals of the Chinese revolution and the world revolution.

Dwelling on the significant meaning of the Long March in history, Comrade Mao Zedong pointed out: The Long March is the first of its kind in the annals of history. It is a manifesto, a propaganda force which sowed the seeds of the revolution. The victory of the Long March is one of the victories in Chinese history achieved by the Chinese people under the guidance of the Marxism-Leninism-Mao Zedong Thought.

Not long ago, in his book "Long March", U.S. writer Harrison Salisbury said: The Long March is unprecedented in world history. The spirit of heroism demonstrated by the Long March had inspired a nation with a total population of 1.1 billion to forge ahead toward a future that no one is able to foresee. Indeed, the spiritual wealth left to us by the Long March is priceless. It fully reflected the great national spirit of the Chinese nation, manifested the revolutionary spirit of the Chinese Communists and demonstrated the heroic spirit of the Chinese people in overcoming all difficulties and obstacles. This is a tremendous source of strength to inspire our descendants to forge ahead.

For more than half a century, the Long March spirit has embedded deep roots into the hearts of the people and it has further developed. It will greatly inspire people in the development of the socialist modernization program. To mark the victory of the Long March today, our aim is to draw courage, strength and wisdom from the heroic deeds shown by the Red Army in its Long March in developing the socialist modernization program. The new long march aimed at developing the four modernizations program today is a logical continuation and great development of the Long March of the Red Army in the past. In a sense, it is even arduous and difficult, and its road is even more treacherous compared to the Long March in the past.

Therefore, in order to carry on the new long march through to the end, we must be imbued with lofty ideals, full of confidence and strong determination to carry out the revolution and the death-defying spirit to score new victories in the development of the socialist modernization program. Specifically speaking, we must firmly believe that the line, principle and policy of the party are correct and that we will definitely succeed in making reforms. We must show determination to become people of a new generation with lofty ideals, high moral and educational standards and a strong sense of discipline; and offer our youth the strength to build socialism with Chinese characteristics.

To carry forward and develop the spirit of the Long March, we must also learn from the Red Army's spirit of self-sacrifice in wholeheartedly serving the people and working arduously to further correct party style, and promote the construction of spiritual and material civilization. The Red Army's spirit of wholeheartedly serving the people radiated during the Long March was reflected in its revolutionary style and image of fearing neither hardship nor death. The dangers and difficulties the Red Army experienced were rare in the history of mankind. We had to struggle against a powerful enemy on the one hand, and never yielded to the extremely inclement natural environment on the other. We could succeed because the Red Army believed it was fighting for the people's emancipation and that its self-sacrifice was for a worthy cause. The cause the Red Army struggled for was the fundamental interests of the people of all nationalities in China.

Today, in our new long march for socialist modernization, the spirit of wholeheartedly serving the people is still the starting point of all our work. To wholeheartedly serve the people, we must persistently develop the glorious traditions of arduous struggle and resolutely oppose seeking ease and comfort and personal gains.

To develop the spirit of the Long March, we must adhere to the ideological line of proceeding from reality in doing everything and seeking truth from facts. The Long March was an important turning point in our party's development from its childhood to its mature period. The Zunyi meeting held during the Long March signified our party's beginning to cast off the yoke of dogmatism and maintain independence and keep the initiative in its own hands to solve China's own problems by seeking truth from facts. This was a lesson paid for with blood. At criticial junctures in the Chinese revolution, the Zunyi meeting established Comrade Mao Zedong's leadership throughout the party. This was one of the important factors for victory during the Long March.

Comrade Mao Zedong, with his sagacity, courage and resourcefulness, integrated Marxism with practice in the Chinese revolution; formulated, by seeking truth from facts, a series of correct lines, principles and policies, and accordingly turned the Long March from its passive, strategic retreat, during its initial period, into a positive, great strategic march toward the front of the War of Resistance against Japan.

Since then, the CPC Central Committee and the Centrial Military Commission, represented by Comrade Mao Zedong, proceeding from realities between the enemy and ourselves, flexibly commanded the Red Army to combat in accordance with the changes on the enemy's side, and won one victory after another. During this period in the history of our party, our ideological line of seeking truth from facts was affirmed. It also set an example of success.

Currently, to guarantee success in our reforms, and a healthy development of the four modernizations, we must, like the Red Army's Long March, adhere to materialism and dialectics, not rigidly adhere to rules and regulations or stay in a rut, proceed from China's special situation and realities, and solve problems by seeking truth from facts in a scientific manner in our construction and reform. Reform is a deep social change. We must fear no dangers or failure. We must not fear being held responsible.

We must have the undaunted spirit of the Red Army during the Long March, proceed from realities, and explore and advance. If we have the correct ideological line, implement policy correctly, and continuously learn from experience and lessons, we will be able to continuously advance. The spirit of the Long March is a priceless treasure of the People's Army. During the new period, one of the urgent tasks facing the Army is to further carry forward and develop the spirit of the Long March and move forward while promoting the modernization of the Army.

In commemorating the 50th anniversary of the victory of the Long March, all the Army's commanders and fighters, while reviewing the Red Army's heroic, glorious achievements during the Long March, must develop the Red Army's glorious traditions, fulfill all tasks well -- including reduction-in-strength reorganization, training, fighting and production -- continue to launch activities promoting spiritual civilization by the troops and the people together, speed up training dual-purpose personnel, actively engage in and support local industrial and agricultural construction, and play a model role in promoting spiritual and material civilization.

The Long March of the old days was successfully accomplished through the heroic struggle of the older generation. Today, a new generation of the People's Army has shouldered the important task of the new long march We are looking forward to seeing all troops of the new long march join forces under the red banner of the victory of the four modernizations in the foreseeable future.

GUANGMING RIBAO ON LABOR AS COMMODITY

HK031111 Beijing GUANGMING RIBAO in Chinese 23 Aug 86 p 3

[Article by Zhao Guoliang: "A Brief Discussion on Socialist Labor as a Commodity"]

[Excerpts] Under the condition of socialist planned commodity economy, the conventional concept that labor is not a commodity must be broken through in order to promote the development of socialist commodity economy and the carrying out of the reform of the economic structure in depth. [passage omitted]

For labor to become a commodity, two basic conditions must be met: Laborers must enjoy personal freedom; and laborers must have neither means of production nor means of subsistence. Obviously, in socialist society, these two conditions remain with the elimination of capitalist production relations. First, laborers in socialist society have more personal freedom. The personal ownership of labor in socialist society is more complete, adequate, and thorough than that in capitalist society. It has accomplished the unification between essence and form, not only in the realm of circulation but also in the realms of production and distribution, and it is an important component part of socialist production relations. Second, in socialist society, each laborer owns nothing but his own labor. [passage omitted]

If labor should become a commodity in socialist society, who, then, would become purchasers of labor? We can see from the above analysis that every laborer sells his labor to the representative of groups of laborers -- the state or enterprises. In socialist society, the changing of labor into a commodity is still necessary.

First, turning labor into a commodity is the objective requirement for developing socialist planned commodity economy. Under the condition of planned commodity economy, the basic relation between all social economic departments, between all regions, and between various enterprises is still one of commodities and money, and the overwhelming majority of production means have entered the market as commodities. The production conditions in socialist society constitute production means and labor. [paragraph continues]

This inevitably requires labor to become a commodity too, so that the two may suit each other, enabling the combination of the two to form a production process in reality, and to form together the social production condition of socialist planned commodity economy. In order to develop socialist planned commodity economy, production means, means of subsistence, information, as well as technical know-how have become commodities, and likewise labor. There is a need to set up a production means market, a subsistence means market, an information market, a technical know-how market, and a labor market, in order to guarantee the normal operation of socialist planned commodity economy.

Second, turning labor into a commodity is necessary for reform of the labor and personnel system. The chief malpractices in China's old labor and personnel system were: The state assumed sole responsibility for all workers and staff of enterprises under ownership by the whole people. With the implementation of ownership of labor by the state, department, locality, or unit, qualified people were not permitted to flow, which seriously dampened the laborers' enthusiasm. In order to thoroughly implement reform of the personnel and labor system, it is necessary to acknowledge that labor is a commodity, and that the laborer owns the labor commodity. Only then, will it be possible for every laborer to acquire relative decision-making power in selecting his own profession, and will it be possible to realize the best combination of laborers and production means so as to improve economic results.

Third, turning labor into a commodity is necessary to ensure the reproduction of labor. The reproduction of socialist social labor must be expanded reproduction, which falls into two categories: extension and intension. The reproduction of labor in the form of extension can be very easily achieved in China. The reproduction of labor in the form of intension relies chiefly on upgrading the use value of labor (namely labor quality) in realizing reproduction. Acknowledging that labor is a commodity will be favorable to stimulating the laborers' enthusiasm for studying, and to continuously upgrading the quality of laborers.

Four, turning labor into a commodity is favorable to correctly implementing the principle of distribution according to work. The animate labor offered by laborers in the course of production is in a fluid state, and will be affected by production conditions and social environment. As a result, the volume of labor can usually only be calculated in terms of hours worked. Hence, the distortion of distribution according to work into distribution according to "working hours," and egalitarianism. By acknowledging that labor is a commodity, we can see that the constant of the value of labor in different kinds of work is an important parameter for differentiating between degrees of labor complexity, a criterion for determining rational labor quotas under normal production conditions, and an important basis for distribution according to work.

UNEMPLOYMENT INSURANCE PLANNED FOR STATE WORKERS

OW090754 Beijing XINHUA in English 0633 GMT 9 Sep 86

[Text] Beijing, September 9 (XINHUA) -- To adapt to changes in the hiring and firing of state workers, unemployment insurance is being introduced as a safety net for workers unable to find new jobs, according to State Council regulations issued today. The insurance will provide 50 to 75 percent of original wages to dismissed workers, workers with terminated contracts, and those laid off by bankrupt or near-bankrupt enterprises. After a maximum of two years, insurance payments will stop. The time limit will provide incentive for workers to find new jobs earlier, said an official from the labor and personnel ministry.

State enterprises will pay funds equal to one percent of total wage money to maintain the unemployment insurance fund, with supplements by bank interest on the fund and local financial subsidies.

The regulations also provide stipulations on establishing a pension system for retired contract workers.

CIRCULAR CALLS FOR TRAINING DUAL-PURPOSE WORKERS

OW110011 Beijing XINHUA Domestic Service in Chinese 0552 GMT 7 Sep 86

[Excerpt] Beijing, 7 Sep (XINHUA) — Recently the Ministry of Civil Affaris, the Ministry of Labor and Personnel, the State Education Commission, and the PLA General Political Department issued a joint circular with regard to a report by the Heilongjiang poeple's government and the Shenyang Military Region's Political Department under the title of "Report on the Joint Efforts Made by Jiamusi City and the PLA Units Stationed in This City To Train Dual-Purpose Personnel for Military and Local Needs." The circular urges all localities to make training dual-purpose personnel for military and local needs an integral part of their adult education and vocational training efforts. They should energetically create a favorable condition for developing this work according to the actual situation in their respective localities, says the circular.

The circular points out: Training dual-purpose personnel for military and local needs is a strategic measure to fulfill the party's general task and objective for the new period and to beef up the work of building a modernized and regularized revolutionary army. It is a responsiblity to be shared by the army and the local authorities. From a current point of view, training of such dual-purpose personnel by the army and local authorities appears to be a project in which the latter assists the former's work. From a long-term point of view, it is a task to train and accumulate reserve forces for local economic construction. What is more, the task is also of vital significance in building the two civilizations in PLA units as well as in various localities.

In recent years, the party and government leaders and the masses of people in Jiamusi City have attached great importance to using their intellectual resources to support the army and have included this in the city's overall adult education program in an effort to support the PLA units in their locality in training dual-purpose personnel for both military and local needs. Over the past year, four major changes have been noted in the city's work in this respect: 1) The practice of "waiting for the PLA units to ask for help" has been changed into that of "going to the PLA units to help them." The mayor has led the departmental and bureau leaders concerned to visit the PLA units so as to become clear about their personnel-training needs and make decisions on the spot to help solve their difficult problems. More than 100,000 books have been donated to the PLA units by various departments. Factories have sent tractors to the PLA units to be used as teaching aids. Schools have offered whole sets of instruments and equipment to help the PLA units set up laboratories and run microcomputer seminars. Over the past year, some 190 backbone professional technicians have been dispatched to the PLA units to serve s teachers. 2) The work has spread from single spots to the whole area. Now a network of using intellectual resources to support the army, involving some 100 units, has come into being. 3) The change from simple training of systematic training and the practice of regular teaching have ensured the quality of the dual-purpose personnel trained. 4) The pratice of training without specific aims has been replaced by specifically oriented training. Training personnel, recommending personnel for specific jobs, and employing personnel are now linked together. [passage omitted]

LI PENG DISCUSSES REFORM WITH BEIJING TEACHERS

OW110151 Beijing XINHUA Domestic Service in Chinese 1110 GMT 9 Sep

[By reporter Zhao Wei]

[Text] Beijing, 9 Sep (XINHUA) -- Li Peng, member of the CPC Central Committee Political Bureau, vice premier of the State Council, and minister in charge of the State Education Commission, called on teachers at Beijing University and the Beijing Municipal No 79 Middle School today. He extended festive greetings to the teachers and held discussions with some of them. Early this morning, Li Peng went to Beijing University. After shaking hands with a dozen teacher representatives, he said: I have come to see you just before Teachers Day. I would like to hear your views and opinions on educational reform. During the ensuing forum, which lasted nearly 2 hours, Li Peng discussed a number of questions on the reform of higher education with the teacher representatives.

Then, Li Peng went to the Beijing Municipal No 79 Middle School and visited a physical education class. Li Peng talked to the physical education teacher, expressing appreciation for his hard efforts in teaching the class. Afterwards, Li Peng went to a classroom where he talked with some teachers. He inquired in detail about such questions as whether the students are in good health; how good is the lunch service; whether there are dangerous buildings; and whether the teaching materials are received on time. After learning that the teachers of the school are given annual physical exams, he said that giving teachers periodical physical exams should be popularized throughout the country. The school principal, W Huashan, said that the school's backward state had been changed after reforming the education mentality and teaching methods and refraining from trying one-sidedly to get a high percentage of the school's graduates admitted to college. On hearing this, Li Peng nodded his approval and said: Teachers have the heavy responsibility of teaching and educating people. Educating people is not giving them a stereotype discourse. It is necessary to respect students; to cherish them and be concerned about them as their parents do; to cultivate their interest in study; and to help them foster a correct world outlook. While imparting knowledge to students, teachers should educate them in patriotism and make them aware of the current situation in reform.

After talking with the teachers, Li Peng wrote an inscription for the middle school: "Make Contributions to the Implementation of the Compulsory Education Law."

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FUJIAN'S CHEN GUANGYI ADDRESSES WORK CONFERENCE

OW120257 Beijing XINHUA in English 1525 GMT 11 Sep 86

[Text] September 11 (XINHUA) -- Fujian's Zhangzhou-Quanzhou-Xiamen triangular area will open wider still to foreign investment, said provincial party Secretary Chen Guangyi at the opening work conference which closed today. All local regulations and rules that run counter to the open policy will be abrogated. Meanwhile, provincial government departments will be ordered to publish detailed rules for implementing the policies of the central government concerning the opening of the province, he said.

The party official recommended the following measures for the southern Fujian area with a population of ten million to achieve the purpose:

-- Transfering more managerial power to lower units. As a first, step the provincial economic commission and trade companies will help cities in the area to improve their abilities to handle exports.

-- Zhangzhou and Quanzhou cities, and Longyan Prefecture are permitted to establish their own import and export companies.

-- The provincial Economic Commission will set up an office in Xiamen to deliver import and export licences for the area.

-- The provincial foreign trade company will aid the development of 14 bases for producing export goods, which require a total investment of 11 million yuan.

JIANGSU LEADERS MARK 1986 TEACHERS DAY

OW110543 Nanjing Jiangsu Provincial Service in Mandarin 2200 GMT 8 Sep 86

[Excerpts] On the afternoon of 8 September, Jiangsu Province and Nanjing City held a meeting to celebrate Teachers Day 1986. Mayor Zhang Yaohua of Nanjing delivered a speech. A total of 22 outstanding teachers in Jiangsu were cited as advanced individuals, and 5 units including the Nanjing Institute of Education were commended as advanced collectives in the educational field. Peng Pieyun, vice minister of the State Education Commission, made a special trip to Nanjing to congratulate the teachers. [passage omitted]

In her speech, Governor Gu Xiulian said: To respect teachers and to attach importance to education are important in developing socialist spiritual civilization. The leading comrades of various party and government organizations in the province must play their exemplary role well in respecting teachers and attaching importance to education. We must rely on teachers to do a good job in running socialist education. We must be concerned with the political and ideological well-being of teachers. [passage omitted]

Attending the meeting to mark Teachers Day were Han Peixin, Sun Han, Chen Huanyou, Cheng Weigao, Gu Hao, Chu Jiang, (Tian Zhonghan), Yang Yongyi, and Xingbai.

JIANGSU LEADERS AT PLA ACADEMY RENAMING

OW110111 Nanjing Jiangsu Provincial Service in Mandarin 2200 GMT 6 Sep 86

[Text] On the morning of 6 September, a grand ceremony was held to inaugurate the Chinese PLA Army Command Academy. Pursuant to a decision made by the Central Military Commission, the Chinese PLA Nanjing Higher Army was renamed the Chinese PLA Army Command Academy.

As an institute of higher education for training combined-tactic commanders, the academy has been put under the direct leadership of the PLA General Staff Department as of 1 September.

Among those attending the renaming ceremony were Han Huaizhi, deputy chief of general staff of the PLA; (Xi Guangyi) of the PLA General Logistics Department; Xiang Shouzhi, commander of the Nanjing Military Region; Gu Xiulian, governor of Jiangsu Province; Zhang Yachua, mayor of Nanjing City; as well as responsible persons of the Air Force of the Nanjing Military Region, military academies and schools in Nanjing, and the Jiangsu Provincial Military District.

Deputy Chief of General Staff Han Huaizhi addressed the ceremony. He said: The founding of the Army Command Academy signifies an improvement of the training system of our military academies and schools under the new historical conditions. All teachers, students, staff members, and workers of this academy should earnestly study and act according to the relevant decisions of the Central Military Commission and fully understand the academy's position and role. While focusing efforts on teaching, it is necessary to intensively reform the teaching method; conduct in-depth academic research; reinforce the faculty; foster a good school style; and be determined to run the Army Command Academy well.

(Xi Guangyi), Xiang Shouzhi, and Gu Xiulian also delivered speeches at the ceremony. They extended warm greetings on the renaming of the academy. Speaking at the ceremony, (Yan Jun), president of the Army Command Academy, vowed to resolutely implement the guiding principle of gearing education to modernization, the world, and the future; heighten spirits; unite to work hard; boldly proceed with reforms; and explore new ways to make advances so as to successfully fulfill the glorious tasks assigned by the Central Military Commission and the PLA General Staff Department.

SHANGHAI DISTRICTS DEVELOP RECTIFICATION RESULTS

OW100333 Shanghai City Service in Mandarin 0000 GMT 5 Sep 86

[Text] The party committees of this municipality's 12 districts have grasped the consolidation and development of party rectification results as a major task in building the party. They have used this to promote reforms and all other work. Experience in this regard was exchanged by Zhabei, (Minhang), and other districts at a recent forum sponsored by the municipal Party Rectification Office.

After the conclusion of party rectification, all district leading organs in this municipality have continued to rectify the guiding thought for their work, promote reforms, and develop the local economy. At the same time, they have continued to pay attention to grasping rectification and improvement of their party style. As of the end of last June, the district-level organizations in all 12 districts had instituted a party-style responsibility system. Meanwhile, all districts have strengthened the inspections of those units where party rectification has been concluded so as to understand their situation and help solve their new problems. For example, the Xihui District party committee organized a work force to conduct further inspections of the leading bodies of 22 units, and as a result, 5 leading cadres were removed from their posts.

Following the conclusion of party rectification, the district party committees have further improved the democratic system within the party. They have also institutionalized a system to conduct party spirit education on a constant basis.

SICHUAN LEADERS ATTEND TEACHERS DAY GATHERING

HK111502 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 10 Sep 86

[Excerpts] A Sichuan provincial and Chengdu City gathering to mark Teachers Day was held in the Chengdu City Laboring People's Cultural Palace today. [passage omitted] Leading comrades of the provincial party committee, provincial Advisory Commission, provincial Discipline Inspection Commission, provincial People's Congress, provincial government, provincial CPPCC Committee, Sichuan Military District, Chengdu City CPC Committee, city People's Congress, city government, city CPPCC Committee, and Chengdu Military Subdistrict, including Yang Rudai, Jiang Minkuan, Feng Yuanwei, Yang Wanxuan, Cao Qingze, Liu Xilin, Liu Haiquan, Yangling Doje, Pan Dakui, (Zhou Tanqing), Wu Xihari, Hu Maozhou, (Wen Jiazhong), (Wang Degong), (Zhao Jiren), (Wang Zhen), and (Song Zhaofu), took their seats on the rostum. [passage omitted]

Jiang Minkuan, deputy secretary of the provincial party committee and governor, delivered an ebullient speech at the gathering. [passage omitted] Governor Jiang Minkuan talked about several views on further doing well in our province's education work. He emphatically pointed out that it is necessary to further enhance the whole party's and whole society's understanding of the importance of educational work and to try in every possible way to do practical things for schools and teachers, to further strengthen the building of the ranks of teachers. [passage omitted]

Some 1,400 teachers from various schools in the province and city, and cadres of provincial and city organs and education departments attended the celebration gathering.

YUNNAN LEADERS ATTEND TEACHERS DAY GATHERING

HK120042 Kunming Yunnan Provincial Service in Mandarin 1000 GMT 10 Sep 86

[Excerpts] This morning, the Yunnan Provincial CPC Committee and provincial people's government ceremoniously held a gathering in the Kunming People's Shengli Hall to fervently mark Teachers Day. Attending the celebration were leading comrades of the party, government, and army, including Pu Chaozhu, secretary of the provincial party committee; He Zhiqiang, deputy secretary and governor; responsible persons of all democratic parties and local organizations; and persons of various nationalities and circles, totaling some 1,000 people.

The celebration was presided over by Vice Governor Chen Liying. At the gathering, on behalf of the provincial party committee and provincial government, Zhu Zhihui, deputy secretary of the provincial party committee, extended warm festive greetings and cordial regards to all teachers and education workers throughout the province. [passage omitted]

He hoped that the education workers would continue to work hard and make new contributions toward the development of the education cause of our province.

At the celebration, the provincial party committee and provincial government commanded and rewarded 532 outstanding teachers and outstanding education workers of the whole province and commended 28 leading cadres at the county level who had done a good job in leadership and in showing concern for education. On behalf of units, including the Central Propaganda Department and State Education Commission, they presented prizes to the individuals or units of our province who had won the title of model worker or advanced collective of the national education system.

HEBEI HOLDS MEETING TO PROMOTE CULTURAL REFORM

SK100507 Shijiazhuang HEBEI RIBAO in Chinese 21 Aug 86 p 1

[Excerpts] After a 4-day session, the provincal meeting of directors of the prefectural and city cultural bureaus concluded on 19 August. Li Wenshan, deputy secretary of the provincial party committee; Ye Liansong, Standing Committee member of the provincial party committee and vice governor of the province; and Liu Ronghui, Standing Committee member of the provincial party committee and director of the Propaganda Department, delivered speeches at the meeting held on the evening of 19 August.

The meeting concentrated on implementing the guidelines of the National Conference of Cultural Department (bureau) directors. Through study and discussions, Zheng Xiting, director of the provincial Cultural Department, made a summing-up speech. After reviewing the ways that the province had taken to carry out the art and literary reform in the previous years, he said that cultural reform, political restructuring and economic restructuring must be carried out and promoted simultaneously under the new situation, and cultural reform must keep abreast of economic restructuring and political restructuring. We should pursue prosperity and development through reform and strive to score greater results and make big progress in Hebei's art and literary undertakings within 3 years. [passage omitted]

Comrade Ye Liansong said: Cultural construction is an important component part of the national economic and social development. Thus governments at all levels should support the development of cultural construction undertakings, place cultural work on their key work agenda, and show concern for and support the development of cultural construction undertakings. The outlay for cultural construction should account for a certain proportion of the total expenditure. Along with the development of production, the outlay for cultural construction should increase annually. Governments at all levels should conscientiously study the specific problems existing in the cultural departments, and make efforts to solve these problems in line with the principle of seeking truth from facts.

In his speech, Comrade Li Wenshan emphatically set forth three tasks. First, art and literature organizations must carry out reform as the economic front has done. However, reform is not an easy job. Thus, we should work arduously to properly solve the problems cropping up in the course of reform. These organizations should clearly define the guiding ideology of reform. Reform is carried out on the basis of socialism and in line with the socialist orientation with a view to improving the socialist production relations and the superstructure. The spiritual civilization is carried out to promote the socialist modernizations. Our socialist cultural undertakings must serve socialist construction and the implementation of overall reform and open policy, and be carried out in line with the four basic principles. We should regard the social benefit as the highest criterion and handle well the relations between social benefit and economic results. Second, we should make a specific plan for developing cultural undertakings. The fundamental task for spiritual civilization is to cultivate persons with new ideals, morality, education and a sense of discipline and to upgrade the people's quality in order to suit the demands of the socialist modernization. So, we must make great progress in scientific and cultural undertakings. All levels should formulate specific plans for developing cultural undertakings. The provincial party committee has planned to sponsor a meeting this year to make a specific plan for developing the province's cultural undertakings and promoting the development of the cultural undertakings. Third, party committees and governments at all levels and the departments in charge of cultural work should pay attention to the cultural life of the people living in revolutionary base, mountainous, remote, and impoverished areas, and make efforts to help them solve problems related to the lack of both materials and spiritual food.

Comrade Li Wenshan urged leaders of the cultural departments and cultural workers across the province to conscientiously implement the guidelines of Comrade Hu Yaobang's inscription for our province, to blaze new trails, to be united, and to keep forging ahead so as to better achieve Hebei's cultural work.

HEBEI GIVES OPINIONS ON RURAL PARTY RECTIFICATION

SK120259 Shijiazhuang Hebei Provincial Service in Mandarin 2200 GMT 1 Sep 86

[Text] In line with the plans of the provincial party committee, the party rectification office of the provincial party committee recently put forward some opinions on the arrangements for the party rectification for the next few months. It called on party organizations at all levels to continue to put party rectification high on their agenda, and make unremitting efforts to achieve an overall success in rural party rectification from the beginning to the end. It also called for efforts to pay timely attention to consolidating and developing the achievements in party rectification.

In view of the progress of our province's rural party rectification, the opinions stressed efforts to carry out the following work:

First, major efforts should be mustered to conscientiously solve the problems of the villages, about 20 percent in total, whose party rectification has been carried out poorly or perfunctorily.

Second, efforts should be stepped up to investigate and handle major and serious cases to make sure that most cases can be concluded by the end of this year.

Third, organizational mesures and party member registration should be carried out in a serious manner. Major persons against whom organizational measures are to be taken should be correctly decided on. They are mainly the party-member cadres who abused power for selfish gains and violated law and discipline to a serious extent. In dealing with party members, it is necessary to take the party Constitution and party policies as the criteria, base on facts, accurately decide on the nature of problems, and go through all the procedures, so that the judgements can withstand the test of history.

Fourth, leading bodies should be further readjusted and strengthened. Judged by the results of party rectification, leading bodies which, we are sure, are ineffective in consolidating and developing the achievements in party rectification, and have difficulty promoting the party's cause should be resolutely readjusted, and must not be rigged up carelessly. Outstanding persons capable of doing their work in a creative manner should be used bravely.

Fifth, organizations and systems should be strengthened.

Sixth, attention should be paid to strengthening the CYL successfully.

Seventh, a fairly competent work force for rural party rectification should b maintained.

With regard to the work of the organs at and above the county level to consolidate and develop the achievements in party rectification, the opinions of the party rectification office of the provincial party committee stressed: First, the party rectification offices of provincial, prefectural, city and county party committees should not be weakened. Second, they should devote considerable personnel and efforts to grasping the work to consolidate and develop the achievements in party rectification of the organs at and above the county level. This work should be grasped until the convocation of the 13th party congress.

TIANJIN CONFERENCE ON DISTRICT SYSTEM REFORM

SK100229 Tianjin TIANJIN RIBAO in Chinese 21 Aug 86 p 1

[Text] We should unswervingly, enthusiastically, steadily, and ceaselessly conduct the district system reform, and strive to make new progress and breakthroughs in the reform so as to better service the overall urban reform. This was what Vice Mayor Lu Xuezheng had required at the municipal district work conference held on 20 August.

In his speech, Lu Xuezheng fully affirmed the notable achievements in district system reform which have been made since 1984. He pointed out: The major tasks ahead of us at present and in the foreseeable future are to concentrate efforts on economic constructon; to persistently grasp the two civilizations; to enthusiastically promote district reform; to further implement the policies related to constructing and managing the urban areas; to organize the principle for guiding the people's livelihood; to make efforts to build the districts into new-typed socialist districts "where the economy is flourishing, public order is good, the environment is clean and tidy, the people live easy lives, and construction serves the four modernizations"; to create fine working, studying and living environments for the people; and to bring into full play the central city's role as a major rear base. Thus, we should further streamline administrative procedures, delegate power to districts, extensively expand their power, increase their financial resources, and continue to solve the problems such as not differentiating the duties of the departments from those of regions at different levels, and separating rights from duties. Simultaneously, we should combine the readjustment of the relations between the municipality and the districts with that of the relations between the districts and the neighborhood. All districts should properly streamline the administrative procedures and appropriately delegate powers to the neighborhood and the relevant departments under the jurisdiction of the districts, and specifically assign the work related to urban management to the neighborhood and the relevant departments under their jurisdiction in an effort to arouse the enthusiasm of the people at all levels to ceaselessly push forward the district reform.

Leading comrades of the municpality, including Wu Zhe, Wang Xudong, Chen Yiyi, and Xu Ming, attended the conference.

JILIN SECRETARY ATTENDS SPORTS GAMES CEREMONY

SK120210 Changchun Jilin Provincial Service in Mandarin 0930 GMT 11 Sep 86

[Excerpts] The 10th Jilin provincial athletic meeting concluded today. A closing ceremony was held at the Changchun City Gymnasium this afternoon. Attending the closing ceremony were Gao Di, secretary of the provincial party committee; Wang Daren, chairman of the provincial Advisory Commission; Zhao Xiu, chairman of the provincial People's Congress Standing Committee; Liu Cikai, Wu Duo, and Dong Su, vice chairmen of the provincial People's Congress Standing Committee; (Qian Bo) and (Fan Wanqing), leaders of the PLA units stationed in the province; Liu Yunzhao, vice governor of the province; Jin Minghan, vice chairman of the provincial CPPCC Committee; Song Jiehan, member of the Central Discipline Inspection Commission; and Wang Jiatong, mayor of Changchun City. [passage omitted]

Leading comrades, including secretary of the provincial party committee Gao Di, awarded prizes to winning athletes and sports teams. Liu Yunzhao, vice governor of the province, delivered a closing speech. [passage omitted]

JILIN'S GAO DI ATTENDS UNIVERSITY RALLY

SK110539 Changchun Jilin Provincial Service in Mandarin 0930 GMT 10 Sep 86

[Excerpts] The Dongbei Teacher Training University held a rally this morning to celebrate the 40th anniversary of its founding. Zou Shiyan, vice minister of the State Education Commission, made a special trip here to participate in the celebrations. Leading comrades of the province and Changchun City, including Gao Di, Wang Daren, Zhao Xiu, Huo Mingguang, Liu Shulin, Li Yaquan, Wu Yixia and Wang Jiatong, attended the rally. Also attending were leaders of relevant provincial and Changchun City departments, and other colleges and universities, and people from the education circles of the United States and Japan. [passage omitted]

Zou Shiyan, vice minister of the State Education Commission, and Gao Di, secretary of the provincial party committee, spoke at the rally. [passage omitted]

LIAONING'S QUAN SHUREN ATTENDS ECONOMIC FORUM

SK290200 Shenyang LIAONING RIBAO in Chinese 15 Aug 86 p 1

[Text] From 13 to 14 August, the Liaoning Provincial CPC Committee and provincial government held a forum of economic advisers in Dalian, which was attended by 15 advisers including Li Dongzhi, Zhou Jiannan, Chen Puru, and Zhong Ziyun. The forum was presided over respectively by Quan Shuren, secretary of the provincial party committee, and Li Changchun, acting governor. Zhu Jiazhen, vice governor, gave an account of Liaoning Province's recent work situation. Wei Fuhai, mayor of Dalian City, gave a report on the city's efforts to further open to the outside world and to display the role of being a window. [paragraph continues]

The economic advisers offered many valuable suggestions and tentative ideas on developing the "three areas in Liaoning (the eastern, western, and northern areas of Liaoning), to rapidly change the poverty and backward outlook, to turn five cities in the southern part of Liaoning (Dandong, Dalian, Yingkou, Panjin, and Jinzhou) into cities with export-oriented economy within a short period of time, to raise the capacity of creating foreign exchange, to further develop lateral economic cooperation, to promote strong points and avoid shortcomings, and to fully display Liaoning Province's superiority.

Prior to the forum, the advisers visited and inspected Shenyang Benxi,Dandong, Liaoyang, Panjin, Yingkou, and Dalian cities.

Leading comrades of the provincial People's Congress, the provincial government, the provincial CPPCC Committee, and the departments concerned also attended the forum.

SHENYANG BANK GIVES MORTAGE LOAN TO ENTERPRISE

OW111131 Beijing XINHUA in English 1032 GMT 11 Sep 86

[Text] Shenyang, September 11 (XINHUA) -- A factory in this capital of Liaoning Province has apparently become the first in China to put up collateral for a bank loan.

The Shenyang Acetylene Cylinder Plant was given a 500,000 yuan loan last month after it put up a bus, 200 tons of steel worth 250,000 yuan and treasury bonds of 26,000 yuan as collateral.

The Shenyang branch of the Construction Bank of China will take over the collateral if the loan isn't repaid in 18 months, a bank official told XINHUA today, adding that the factory agreed to the conditions of the loan so they can expand and upgrade their plant.

In China, banks are reluctant to lend large amounts to companies because they can secure few guarantees for repayment.

Collateral-based loans help companies overcome the psychological reliance on banks for unconditional loans, while allowing the state to control capital expenditures and industrial investment, the bank official.

The new practice will first be tried out with collectively-owned enterprises, joint stock companies and private businesses before it is extended to state-owned companies, the official said.

GANSU TOWNSHIP-LEVEL RECTIFICATION PROGRESSES

HK110349 Lanzhou Gansu Provincial Service in Mandarin 2200 GMT 10 Sep 86

[Text] Township-level party rectification has made smooth progress and registered marked achievements in Gansu. By the end of August, 95 percent of the townships and towns and 86 percent of the enterprises and units subordinate to counties had completed their party rectification task.

After township-level party rectification was launched in the province in March, the localities acted in accordance with the instruction given by Comrade Hu Yaobang during his inspection of Gansu that the fundamental task in rural work is to lead the masses to get rich through production, checked on the impact of the small peasant economic mentality, established the concept of commodity economy, and actively led the masses to get rich through production. In the first half of the year the rural areas of the province set up 4,889 enterprises run by combines or individuals in the townships and villages, and the total output value of such enterprises was 300 million yuan greater than in the same period of last year, a rise of 45.6 percent.

Township-level party rectification work has improved the ideological and political qualities of the township and town party-member cadres in the rural areas. The township and town cadres have now improved their work style, and they go deep into the villages and groups [zu] to do good and practical deeds for the masses. They have started to make a habit of this.

A start has been made in solving some outstanding problems in party style in the rural areas. According to statistics, during township and town-level party rectification, the prefectural and city party committees have screened 551 cases, of which 486 have been dealt with. In the course of rectification, 4,146,000 yuan in owed public funds have been recovered in the townships and towns. In addition, 86,000 mu of contract farmland that should have been returned after the contractors concerned changed their household registration from rural to urban status have now been recovered.

Party members who had made serious mistakes have been educated and saved. The party's purity and strength have thus been maintained. According to incomplete statistics, 544 township and town cadres have been disciplined during the course of rectification, including 88 who have been expelled from the party and 160 who have been retained in the party under observation.

GANSU LEADERS ATTEND TEACHERS DAY GATHERING

HK110447 Lanzhou Gansu Provincial Service in Mandarin 2200 GMT 10 Sep 86

[Excerpts] A solemn gathering to celebrate Teachers Day was held in Lanzhou on 10 September. Li Ziqi, Huang Luobin, Liu Bing, Lu Kejian, Yang Zhilin, Wang Jintang, Wantl Daoyi, and other leading comrades of the party, government, and army in Gansu attended, together with over 1,000 teachers of universities, secondary and primary schools, and kindergartens. Governor Jia Zhijie made a speech. [passage omitted]

In the course of his speech, Comrade Jia Zhijie announced that the provincial authorities have decided that, beginning this year, 500 million yuan will be allocated from the provincial finances for each of the next 3 years to build housing for teachers. Noneducational departments are absolutely forbidden to occupy housing especially built for teachers. The province must also further implement the party's policies on intellectuals and properly solve various problems of the teachers. [passage omitted]

QINGHAI LEADERS MEET DISASTER FIGHTERS

HK110449 Xining Qinghai Provincial Service in Mandarin 2230 GMT 10 Sep 86

[Text] On the evening of 10 September, leading comrades of the party, government, and army in Qinghai including Yin Kesheng, Song Ruixiang, Lu Baoyun, and Gabulong went to the Xining Guesthouse to visit representatives attending the provincial gathering to commend advanced collectives and individuals in rescuing people and livestock from natural disaster. They thanked them for their contribution in the struggle against blizzards last winter and spring.

SONG HANLIANG AT ECONOMIC REFORM CONFERENCE

HK120203 Urumqi Xingjiang Regional Service in Mandarin 1200 GMT 10 Sep 86

[Excerpts] A regional conference on reform of the urban economic structure opened in Urumqi today. In the spirit of reform, this conference will seriously sum up the achievements and experiences of our region in reform of the urban economic structure over the past 2 years, analyze existing problems, and make further arrangements for reform of our region's urban economic structure.

Attending the conference were leading comrades of the regional party and government and of the Production and Construction Corps, including Song Hanliang, Tomur Dawamat, Zhang Sixue, Wang Baozhang, Bai Chengming, Yang Yiqing, Tuohuti Shabier, Hedeerbai, Yusufu Muhanmode, Jin Yunhui, and Zeng Jifu. He Guanghui, vice minister of the State Restructuring of the Economic System Commission, also attended the conference.

Tomur Dawamat, deputy secretary of the regional party committee and chairman of the region, presided over today's conference and spoke. He said: at present, the region's economic situation is very good. [passage omitted] Tomur Dawamat pointed out: The key points of discussion at this conference are: 1) How to further invigorate enterprises, particularly large and medium-sized enterprises owned by the whole people; 2) how to further separate government administration from enterprise management so that direct management of enterprises by the trades themselves and trade management will be further strengthened; 3) how to further develop lateral economic ties, to implement the detailed rules and regulations of the State Council on further developing lateral economic ties, and to develop our region's lateral economic ties still more vigorously and healthily; and 4) how to study the problems of further strengthening leadership over reform of the urban economic structure.

At the conference, Jin Yunhui, vice chairman of the region, made a report: sum up experiences, strengthen leadership, and constantly and penetratingly develop reform of the urban economic structure.

FURTHER ON S. AFRICAN FOREIGN MINISTER'S VISIT

OW110517 Taipei CNA in English 0239 GMT 11 Sep 86

[Text] Taipei, Sept. 10 (CNA) - The visiting South African foreign minister, R. F. Botha, called on the free world nations Wednesday not to compromise or talk with any communist regime in the world.

At a dinner party he gave in honor of ranking ROC Government officials in the Grand Hotel in downtown Taipei, Botha, citing the tragic story of a hunter eaten by a bear after he attempted to negotiate with bear for its skin, said that "free nations will always be the losers in talks with communists."

Botha said that the evil nature of communism will never be changed and "any free world nation who tries to reach agreements with the communists through negotiations will eventually lose all it already has."

The foreign minister said that he was deeply impressed by the strong free Chinese armed forces stationed on the frontline island of Kinmen. He flew to Kinmen in the morning for a short visit. He said the samall offshore island has been able to serve as a bastion to check the expansion of Communist China which is far larger geographically. This, he added, "is quite encouraging to all free nations in their fight against the communists."

Attending the party were Foreign Minister Chu Fu-sung and other ranking government officials and over 200 civil leaders.

Botha arrived here Sept. 7 for a five-day visit. He will hold a press conference at the Grand Hotel before his departure Thursday afternoon.

Botha Comments on Visit

HK111119 Hong Kong AFP in English 1103 GMT 11 Sep 86

[Excerpt] Taipei, Sept 11 (AFP) -- South African Foreign Minister Roelof "Pik" Botha pledged to maintain trade relations with Taiwan here Thursday at the end of a five-day official visit.

Mr. Botha also told a press conference that Taipei shares "common values and common objectives" with Pretoria, but not its racial policy of apartheid. "The Government of the Republic of China has never supported apartheid. Never ever, and we never asked this government to support apartheid," Mr. Botha said.

"We decided ourselves not to support apartheid and my own government is removing apartheid," the South African foreign minister said. "But nobody seems to believe it," he added.

Mr. Botha said in his talks with officials here "we never sought assurances from each other" on continued mutual cooperation in trade and other areas. "Our relations are of such a nature ... that each government knows what is in its interest," he said. "We stand for basic human values and freedom," he said, recalling that both Pretoria and Taipei are staunchly anti-communist.

"Friends who share common values and objectives do not horse-trade with one another ... such friends do not need financial or material interests to bind them together," he said.

But Botha also denied rumors that South Africa was planning to use Taiwan as a transshipment center to circumvent international trade sanctions. The topic was not discussed here, he said.

In his meeting with President Chiang Ching-kuo Monday, Mr. Botha said he informed the Taiwan leader of his government's objectives in negotiating a new constitution with black leaders and gave him Pretoria's views on the communist threat in Africa. He also said international trade sanctions posed a challenge.

"We do not welcome sanctions ... but we have no choice," he said. "We are continuing our reforms. But we are not going to be pushed around by the world," the South African foreign minister said.

Mr. Botha, accompanied by his wife and 11 South African officials, left Thursday for a short visit to Hong Kong. [passage omitted]

SPOKESMAN REITERATES '3-NO' POLICY TOWARD BEIJING

OW100345 Taipei CNA in English 0237 GMT 10 Sep 86

[Text] Taipei, Sept. 9 (CNA) -- The Republic of China [ROC] will never change its solemn stand of "no contact, no talks and no compromise" with the Peiping regime, spokesman Cheyne J. Y. Chiu of the Ministry of Foreign Affairs said Tuesday.

Chiu made the remarks while commenting on foreign wire service reports recently that Chinese Communist leader Teng Hsiao-ping said in a recent interview with the Columbia Broadcasting System of the United States that he will ask President Ronald Reagan to play a role in helping the two sides of the Taiwan Strait to do trade, exchange postal services and make navigation arrangements between them.

Chiu said that President Reagan has repeatedly made clear that the U.S. will not serve as a go-between or be involved in the movement for the reunification of China.

Chiu said that Teng's words are nothing but another version of Peiping's united front operations "aimed at getting the U.S. involved in China's reunification and driving a wedge into the friendly relations between the ROC and the U.S."

Chiu called on the people of the free world to see through the conspiracy of the Peiping regime and not to fall into the trap Peiping has hidden under various forms of united front tactics that are peaceful in appearance but actually treacherous.

HONG KONG

RSA'S BOTHA ARRIVES; COMMENTS ON ASIAN TRIP

HK120852 Hong Kong AFP in English 0835 GMT 12 Sep 86

[Text] Hong Kong, Sept. 12 (AFP) -- South African Foreign Minister Roelof "Pik" Botha Friday wound up a visit to Asia, describing it as "very constructive" and denying suggestions the trip was aimed at offsetting losses stemming from sanctions.

Mr. Botha, who arrived in Hong Kong Thursday for a two-day private visit following stops in Japan and Taiwan, told a press conference that South Africa is "always on the lookout for new markets." "We are going to trade with anyone, from the Soviet Union to Beijing to Taiwan," he said.

Mr. Botha also said Hong Kong should not impose sanctions against Pretoria. "There is no reason morally for Hong Kong or any other country to support sanctions against South African because my government has indicated quite clearly and categorically that we ourselves will remove apartheid," he said.

Mr. Botha denied his visit to Asia was an indication that U.S. and Western European trade sanctions were having an effect on South Africa. "I'm not going to assume that we will lose so many markets in Europe," he said. "But even if we do the purose of my visit was not to offset such losses." "For a long time my government has decided that we should make efforts to diversify our trade," "Why should South Africa keep on buying from Europe and America if we can buy from countries in the Far East the same products which might even be of a higher quality and at a cheaper price."

He declined to reveal the substance of his talks in the region, saying it would not be in South Africa's interest to do so. "It was a very constructive visit. I have seen great new potential for South Africa to diversify its trade," he said.

Asked if Pretoria planned to use Hong Kong and Taiwan to transship goods to other Asian markets, Mr. Botha said "Yes, together with some other countries. But I'm not so foolish as to think we can come and use Taiwan and Hong Kong for all kinds of secret deals," he added.

About 100 anti-apartheid protestors held a demonstration outside the hotel where Mr. Botha spoke Friday.

PRC 'WOULD NOT OPPOSE' DIRECT ELECTIONS IN HONG KONG

HK120637 Hong Kong SOUTH CHINA MORNING POST in English 12 Sep 86 pp 1, 2

[By S. Y. Wai and Chris Yeung]

[Text] Hong Kong can have direct elections to the legislature in 1988 if the majority of the local people demand it, China's chief representative in the territory said yesterday.

Mr. Xu Jiatun, director of the Hong Kong Branch of the New China News Agency, said China would not be against direct elections in Hong Kong when asked his opinion on reports that the British Government supported the introduction of direct elections to the Hong Kong legislature in 1988.

It is believed to be the first time a senior Chinese official has publicly said that China would not oppose direct elections.

Influential local delegations to China's National People's Congress (NPC) and the Chinese People's Political Consultative Conference (CPPCC), however, yesterday said direct elections and democracy should be introduced to Hong Kong after 1997.

But they warned against hasty introduction of direct polls in view of the recent controversy over Daya Bay.

Mr Xu refused to comment directly on the reported views of the British Government, but said local political development should be based on the wishes of the Hong Kong people.

"We are now listening to views from various sectors of the community and whether to have direct elections in post-1997 Hong Kong depends on what the basic law says," he said.

When asked if the introduction of direct elections would violate the joint declaration, he said: "It should be decided in the basic law."

The basic law will be finalised around 1990 and only be implemented after 1997.

Asked if direct elections would be allowed if the majority wanted it, Mr Xu said if that was really the case, direct elections would be acceptable.

"If Hong Kong people share a consensus that direct elections to the legislature should be introduced in 1988, China will consider letting it happen," he said.

"At the moment, as no conclsuion on the further policy has been drawn up, Hong Kong people should speak up and air their views on the form of government of the future Special Administrative Region."

According to reports from London, sources close to the Foreign Office said the British would respect the wishes of Hong Kong people if the 1987 review showed that the majority of them wanted direct elections -- and that China was likely to accept this position.

It is understood that Britain has sought to reassure China on the issue of direct elections by designing a system that can operate without party policies.

The governor, Sir Edward Youde, and Executive Councillors now in London have been conveying to Prime Minister Mrs Margaret Thatcher the mood in Hong Kong in favour of direct elections.

Analysts believe the British have argued to China that direct elections are inevitable and would not cause instability.

Mr Xu said the Sino-British Joint Liaison group had discussed direct elections, but no conclusion had been made.

Mr Xu was speaking after touring Hong Kong International Terminals Limited with Mainland and Hong Kong delegates of the Basic Law Drafting Committee's economic policy sub-committee.

In contrast, influential local delegates of China's legislature and consultative machinery said yesterday that direct elections and democracy should be introduced to Hong Kong after 1997.

The NPC and CPPCC members sounded a warning note against hasty introduction of direct polls in view of the recent controversy over the Daya Bay plant that embroiled the community and the Legislative Council.

The delegates called for cautious and full examination on the right time to introduce direct elections and their appropriate share in the future legislature.

Their remarks were made in a meeting with 13 mainland members of three subgroups of the Basic Law Drafting Committee at the Chinese General Chamber of Commerce's Central Headquarters.

A CPPCC member, Mr Ho Sai-Chu, who is also a legislative councillor said: "The prevailing thinking (among the local delegates) is that democracy and direct elections should be introudced in the future to Hong Kong.

"But given the recent Daya Bay incident, there have been stronger reservations among members over the introduction of direct polls.

"We have not ruled out the possibility but there should be more studies and discussions," said Mr Ho.

He cast doubts on the proposition that a democratic system had already been established and whether an atmosphere of democracy had been nurtured in the territory.

Mr Ho said delegates had put forward the strong and weak points of the existing political system to the basic law drafters.

Delegates agreed that the present Executive Council, which played a dual role in policy-making and consultation, had been functioning efficiently, he said.

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REPORTAGE ON ASIAN GAMES BEING HELD IN SEOUL

PRC Delegates Arrive

OW120619 Beijing XINHUA in English 0540 GMT 12 Sep 86

[Text] Seoul, September 12 (XINHUA) — One hundred and forty-five Chinese athletes and officials, the first group of the 515-member Chinese sports delegation to the Tenth Asian Games, flew into Seoul by chartered plane this morning. The group is led by Ji Mingtao, deputy manager of the delegation.

The 131 athletes in the group are shooters, weightlifters, fencers, cyclists, oarsmen, and yachtsmen.

They were greeted by a representative of Seoul Asian Games Organizing Committee.

China will compete in 20 sports, and the other groups of the delegation will come to Seoul in different groups later.

About 100 newsmen gathered at the airport to cover the arrival. But no statement was made, and the Chinese group was rushed to the Asian Games village by bus under heavy security escort.

PRC National Flag Raised

OW130548 Beijing XINHUA in English 0534 GMT 13 Sep 86

[Text] Seoul, September 13 (XINHUA) -- The Chinese national flag was raised at the Flag Plaza of the Seoul Asian Games here this morning. The ceremony in a fanfare of trumpets and horns was attended by nearly 120 Chinese athletes and officials who arrived here by a chartered plane yesterday.

More than one hundred reporters and photographers and T.V. cameramen rushed to the village to cover the event. It was the second flag-raising ceremony held at the village since its opening on September 6. Indonesia had its ceremony on September 11.

The Chinese national flag was sent by Xu Haifeng, China's gold medialist at the Los Angeles Olympic Games, escorted by Luan Jujie, another Los Angeles Olympic titlist, to two youngsters at the flag post who raised the flag.

Village Mayor Sonu Yong-kuk made an address at the ceremony, welcoming the Chinese athletes and officials to the village and said "We will do whatever we can to make your stay at the vilage enjoyable".

"The Asiad village life" he added, "would also provide you with a good opportunity to meet Asian athletes and officials." He hoped that the Chinese athletes would make success during the games.

Ji Mingtao, deputy head of the Chinese delegation, said in reply that the aims of the Chinese athletes are not only to achieve good results but also to promote friendship with the participants of other countries and regions in Asia.

Beijing Vice-Mayor To Attend

OW131329 Tokyo KYODO in English 1151 GMT 13 Sep 86

[Text] Seoul, Sept. 13 KYODO -- Zhang Baifa, vice mayor of Beijing, will inspect the 10th Asian Games opening in Seoul on September 20 on behalf of Mayor Chen Xitong, reports from the Chinese capital said Saturday. Zhang also is vice chairman of the organizing committee of the next Asian Games, to be held in Beijing in 1990.

The reports raised the possibility of a high-level contact between officials of the two capital cities. The two countries had the first formal contact when a Chinese commercial airliner was hijacked and ordered to Seoul in May 1983.

Zhang is expected to fly to Seoul aboard a chartered flight September 18 together with other sports officials of the 1990 Asian Games organizing committee.

A Seoul newspaper said the Chinese delegation includes not only sports officials but economic and administrative experts and scholars studying Korean affairs.

Team Satisfied With Facilities

OW150118 Beijing XINHUA in English 0045 GMT 15 Sep 86

[Text] Seoul, September 14 (XINHUA) -- Chinese athletes already here for the upcoming Tenth Asian Games were satisfied with the sports facilities they used during training, Wei Jizhong, secretary-general of the Chinese Olympic Committee, said today.

He told XINHUA that the stadium, gymnasiums and other facilities he and his colleagues saw for the Asian Games were up to international standards.

The Chinese rowing team had a training session at the Han River regatta course today, and they found the facilities there satisfactory, Wei Jizhong said. However, he said, the water quality was not as good, and the Chinese rowers found the water had an unpleasant smell. He said that despite the unsatisfactory water quality the artificial course was better than natural ones because it caused no waves and the coaches could use the sidewalks on the embankment to coach their teams during competition by using bikes instead of motorboats.

Chinese cyclists found cracks in the racing course in the velodrome built with wood imported from Cameroon, Wei said, adding that it would not affect the competition.

He said that the gymnastic hall was a bit stuffy. "It is probably due to the plastic roof without natural ventilation," he added.

PRC Official Views Games

HK140518 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1349 GMT 13 Sep 86

[Report by Xie Yining: "Wei Jizhong Answers South Korean Reporters' Questions" -- ZHONGGUO XINWEN SHE headline]

[Text] Seoul, 13 Sep (ZHONGGUO XINWEN SHE) -- Today in Seoul, in an interview with South Korean reporters, Wei Jizhong, secretary general of the PRC Olympic Committee, said: "The Asia Olympics Council recognizes the status of the PRC Olympic Committee as a sports organization representating China. Thus, we shall use the official name 'The People's Republic of China' in our participation in all the activities organized by the Asia Olympics Council. I greatly appreciate the Organizing Committee for the current Asian Games referring to us as 'The People's Republic of China.'"

Wei Jizhong said the above when asked by a reporter of South Korea's CHUNGANG ILBO to comment on the fact that "the country is now referred to as the People's Republic of China rather than Communist China, as it was in the past." He angrily said: "Some of the South Korean massmedia continue to use the term 'Communist China'. This is a very unfriendly gesture." However, he added: "I have no desire to force the media to use either name." He stressed: "I do not want to spend too much time here discussing political issues, because this may impede the smooth progress of the current Asian Games."

In reply to the questions: "In what direction will the two countries' sports activities develop after the current Asian Games is over?" and "Will Chinese participation in the Asian Games have any effect on the two countries' sports activities in the future?" Wei Jizhong used the remark "and that is that" twice, saying: "China is participating in the current Asian Games at the invitation of the Asia Olympics Council."

When asked to comment on the living quarters for the representatives and to suggest improvements, Wei Jizhong said: "Both the food and facilities there are quite goo. The Chinese representatives can rest well. This is the first time this country has organized the Asian Games. Thus, there are still some things that are not in good order. However, this is only a matter of secondary importance. As the host country for the next Asian Games, China is willing to learn from the experiences of various host countries, including the host country for the current Asian Games." He added: "Beijing is now building and rebuilding a considerable number of sports grounds, news centers, and living quarters. As for the details of how the preparations are going, a Chinese delegation with 15 members will come to Seoul on 18 September to report on them to the Asia Olympics Council."

It is reported that Zhang Baifa, vice chairman of the Organizing Committee for the 1990 Beijing Asian Games and vice mayor of Beijing, will be a member of this delegation. He will come to Seoul to receive the flag of the Asian Games.

Wei Jizhong hoped that other countries would also do well in the current Asian Games. He said" "One should not count on a few countries to improve Asia's sports performance. We should count on an overall improvement in the sports performance of all Asian countries. The whole of Asia should be proud of the achievements of sportsmen and athletes, no matter what country they are from." At the end of the interview, Wei Jizhong said that he hoped that South Korean reporters would go to Beijing with the South Korean team that will participates in the Beijing Asian Games.

EXPLOSION OUTSIDE TERMINAL AT SEOUL KIMPO AIRPORT

PRC Group Informed

OW140942 Beijing XINHUA in English 0934 GMT 14 Sep 86

[Text] Seoul, September 14 (XINHUA) -- No flights were delayed at the Kimpo International Airport after an explosion occurred at 15:12 hours today, an official of the Seoul Asian Games Organizing Committee said.

Yang Sae-hun, director general of the International Cooperation Department of the Organizing Committee, told the Chinese delegation that the explosion killed two people and injured twenty.

All victims were South Koreans, he noted.

He said the explosion took place outside the terminal building.

The cause for the explosion is still being investigated, but the airport authorities said that they would intensify the security measures to ensure the safety of the passengers coming into or going out of Seoul.

Effects of Bombing Feared

OW150523 Tokyo KYODO in English 0502 GMT 15 Sep 86

[Text] Seoul, Sept. 15 KYODO -- Bomb explosion at Kimpo International Airport Sunday, in which five persons were killed, is feared to cast a damper on the relationship between China and South Korea, sources here said Monday.

For South Korea, the explosion could not have come at a worse time since the country, which has no diplomatic ties with Beijing, has played up a "friendly" relationship with China.

What worries Seoul Asian Games Organizing Committee (SAGOC) officials is the incident might cause China to take a dim view of South Korea's security measures as a hosting nation for the 1988 Olympics.

Some sources even fear China's possible absence from the 1988 Olympics.

Many Chinese officials and reporters here have expressed apprehension about an "unstable" political situation in South Korea.

North Korea, grabbing the incident as a good opportunity to emphasize "inadvisability" of Seoul as an Olympics and Asian Games site, it likely to justify its absence from the ASIAD starting September 20.

Pyongyang may step up its propaganda drives against South Korean President Chon Tu-hwan's administration so that it can change the current international political tide tilted toward the South, the sources said.

Bomb Blast Internal Problem

OW150839 Tokyo KYODO in English 0833 GMT 15 Sep 86

[Text] Seoul, Sept. 15 KYODO -- Xu Yinsheng, a high-ranking Chinese Athletic official, said Monday a bomb blast which killed five people and injured 19 at Kimpo International Airport Sunday is an internal affair of South Korea and he is not worried about the security in Seoul.

Speaking to KYODO NEWS SERVICE on his arrival at the airport, the official of the Chinese delegation said the incident has nothing to do with China's decision to participate in the Asian Games starting September 20.

Asked about a reported involvement of North Korea in the explosion, Xu simply said, "we don't know."

HU YAOBANG MEETS JAPANESE AMITY REPRESENTATIVE

OW130652 Beijing XINHUA in English 0635 GMT 13 Sep 86

[Text] Beijing, September 13 (XINHUA) -- Chinese leader Hu Yaobang said here today he hoped that both China and Japan will redouble their efforts to enable the goal for China-Japan friendship in the 21st century to take root in the hearts of the people of the two countries, including their youth ad children.

Hu, general secretary of the Chinese Communist Party Central Committee, made this remark at a meeting with Tadao Ishikawa, Japan's chief representative of the 21st Century Committee for China-Japan Friendship here this morning.

Since the 21st Century Committee for China-Japan Friendship was founded in 1984, facts show that the committee has played a very good role in enhancing the friendship between the two peoples, he said. "So we should take good care of this organization." It is hard to avoid some obstacles in the endeavor to achieve longstanding bilateral friendship, so attention should be paid to eliminating obstacles in the course of increasing such friendship, he added.

Ishikawa noted that the vast majority of the Japanese people desire to expand Japan-China friendship. He said that the 21st Century Committee for China-Japan Friendship has received support from both general secretary Hu Yaobang and Japanese Prime Minister Yasuhiro Nakasone and that its work will proceed smoothly.

Hu Yaobang appreciated Nakasone's fresh efforts and contributions in strengthenging and developing bilateral relations lately.

Present on the occasion were China's chief representative of the 21st Century Committee for China-Japan Friendship Wang Zhaoguo, and Japanese Ambassador to China Yosuke Nakae.

Ishikawa arrived here yesterday to make final preparations for the third meeting of the 21st Century Committee. Yesterday afternoon both Wang Zhaoguo and Ishikawa exchanged views on the matters related to the committee meeting. The two sides agreed that the third committee meeting is scheduled to be held in Japan between September 22 and 25. Yesterday evening, Wang Zhaoguo also gave a dinner in honor of Ishikawa and his party.

NAKASONE NOTES TIES WITH PRC IN DIET SPEECH

OW121647 Beijing XINHUA in English 1552 GMT 12 Sep 86

[Text] Tokyo, September 12 (XINHUA) -- Prime Minister Yasuhiro Nakasone said today that the basic principle of Japan's foreign policy is the maintenance of good relations with neighboring Asian-Pacific countries.

In a general policy speech on the second day of an extraordinary session of the Diet (parliament), the prime minister said that Japan will make every effort to develop its good neighborly relations on the basis of mutual understanding and to further improve the stable and long-term cooperations with China.

He said that the recent incident threathening to affect Japan's relations with neighbouring Asian countries was very regrettable. Nakasone sacked Education Minister Masayuki Fujio Monday after he said that Japan's 1910 annexation of Korea had been based on a mutual agreement, rather than being an act of aggression.

On relations with the United States, he explained the significance of Japanese participation in the U.S. star wars program. It would contribute to a more effective functioning of security agreements with Washington, he said.

Regarding the relations with the Soviet Union, the prime minister said Japan will spare no efforts to establish friendly relations of genuine mutual understanding with the Soviet Union with the goal of concluding a peace treaty after the territory issue resolved.

On domestic policy, Nakasone said there will be administrative, financial and educational reforms so as to restructure and boost the country's economy and to achieve an internationally acceptable economic structure. He said he will ask the Diet to approve as soon as possible the bill to turn the state-run railways, which are heavily in debt, over to privte ownership.

PRC JAPAN SIGN HOTEL JOINT VENTURE

OW141422 Beijing XINHUA in English 1156 GMT 14 Sep 86

[Text] Beijing, September 14 (XINHUA) -- The Wanshou Hotel of China and four Japanese corporations signed an agreement here today on building a new hotel by joint investment. The four Japanese corporations are the Seibu Department Store Ltd, Kijima Corporation, Tokyo Mutual Life Insurance Company and Mitsui Loan Co., Ltd.

Wang Zhaoguo, member of the Secretariat of the Chinese Communist party Central Committee, met the Japanese guests led by Tamio Kawakmi, member of the Japanese House of Representatives and president of the Association for Japan-China Cultural and Technological cooperation.

PAKISTAN'S KHAN ARRIVES, DISCUSSES NUCLEAR ENERGY

Met by Song Jian

OW141336 Beijing XINHUA in English 1328 GMT 14 Sep 86

[Text] Beijing, September 14 (XINHUA) — A Pakistan delegation led by Foreign Minister Sahabzada Yaqub Khan arrived here today to seek cooperation with China in peaceful use of nuclear energy.

Song Jian, Chinese state councillor and minister in charge of the State Science and Technology Commission, met and feted the delegation here this evening. During its stay here, the delegation is expected to sign an agreement with the Chinese Government on cooperation in peaceful use of nuclear energy.

Cooperation Agreement Signed

OW150846 Beijing XINHUA Domestic Service in Chinese 0711 GMT 15 Sep 86

[Text] Beijing, 15 Sep (XINHUA) — The Chinese Government and the Pakistani Government signed an agreement on cooperation in the peaceful use of Nuclear Energy at the Great Hall of the People this morning. Premier Zhao Ziyang of the State Council attended the signing ceremony.

Song Jian, Chinese state councillor and minister in charge of the State Scientific and Technological Commission, and Yaqub Khan, Pakistani foreign minister and head of the Pakistani delegation for cooperation in the peaceful use of nuclear energy, separately signed the agreement on behalf of their respective governments.

The agreement pointed out: The two governments hope to extensively cooperate with each other in the peaceful use of nuclear energy for the well-being and prosperity of the two peoples.

Both China and Pakistan are members of the International Atomic Energy Agency. The agreement stipulates that both sides will submit their projects for cooperation to the International Atomic Energy Agency to ensure safety according to international practice.

Also present at the signing ceremony were Munir Khan, member of the Pakistani Delegation for the peaceful use of nuclear energy and chairman of the Pakistani Nuclear Energy Commission, and others.

ZHU LIANG MEETS, FETES INDIAN MARXIST DELEGATION

OW131408 Beijing XINHUA in English 1357 GMT 13 Sep 86

[Text] Beijing, September 13 (XINHUA) — Zhu Liang, head of the International Liaison Department of the Chinese Communist Party Central Committee, met and gave a dinner for a delegation from the Communist Party of India (Marxist) here today. The delegation, led by the Indian party's Central Committee Political Bureau Member Samar Mokherjee, arrived here Friday.

CONTINUING REPORTAGE ON ORTEGA BEIJING VISIT

Further Zhao Ziyang Talks

OW130450 Beijing XINHUA Domestic Service in Chinese 0655 GMT 12 Sep 86

[Text] Beijing, 12 Sep [XINHUA] -- China maintains that Central American problems should be solved by the people of Central American countries, themselves, and there should be no interference by outside forces, Premier Zhao Ziyang reiterated today.

During talks with Nicaraguan President Daniel Ortega Saavedra this morning at the Great Hall of the People, Zhao Ziyang said that problems between Central American countries and between Nicaragua and the United States should be solved peacefully through negotiations on the basic of equality and should not be solved by force or threats of force. He said that China appreciates and supports the efforts of the Contadora Group to resolve Central American problems peacefully.

Zhao Ziyang said that China sees as its internationalist duty to safeguard the rights and interests of the Third World countries and opposes any country that practices hegemonism and great-power chauvinism or encroaches on the interests of Third World countries.

Ortega said: Nicaragua is striving to consolidate its new political power based on a mixed economy and political pluralism. In international affairs, Nicaragua follows the principle of nonalignment and seeks to form new economic, trade, and financial relations with countries of different ideologies.

Nicaragua supports all movements aimed at relaxing world tension, ending the arms race, and promoting disarmament, he added. He said that Nicaragua hopes to build closer relations and further expand its economic cooperation with China.

Present at the talks were State Councillor and Minister of Foreign Affairs Wu Xueqian; Minister of Water Conservancy and Electric Power Qian Zhengying; president Ortega's wife, R. Murillo; and Nicaraguan Foreign Minister M. D'Escoto.

Before the talks, Zhao Ziyang presided over a grand ceremony at the plaza to the east of the Great Hall of the People to welcome the distinguished guests from Nicargua.

Ortega Speaks at Banquet

OW121410 Beijing XINHUA in English 1358 GMT 12 Sep 86

[Text] Beijing, September 12 (XINHUA) -- Chinese Premier Zhao Ziyang gave a banquet for the visiting Nicaraguan President Daniel Ortega Saavedra and his party here tonight.

Speaking at the banquet, Zhao praised the Nicaraguan people for their persistent efforts for carrying out social reform, developing the national economy, safeguarding state sovereignty and opposing external interference.

The Chinese Government and people, he said, are closely following the development of the situation in Nicaragua and Central America as a whole.

He said he hoped all parties involved in the conflicts in Central America will abide by norms by international relations and resort to peaceful negotiations so that the people there will be free from protracted turbulence and live in peace and development at an early date.

Both China and Nicaragua, he said, are developing countries and belong to the Third World. They have a good foundation for increasing friendship and cooperation.

They can exchange experience and help each other on the basis of mutual respect and equality, Zhao noted. He said the Chinese people, who have experienced long oppression and interference from outside, have a deep understanding of the Nicaraguan people's sentiments and have all along sympathized with and supported them in their just struggle for safeguarding state independence, sovereignty and national dignity.

He pointed out that the establishment of diplomatic relations between China and Nicaragua has opened up broad prospects for their grwoing friendship and cooperation.

In reply, Ortega said despite their geographic distance the two countries who both stand for peace and friendship are getting closer in the struggle for a better world. He said Dr. Sun Yat-sen and Mao Zedong embodied the Chinese people's fine tradition of daring to struggle and daring to win.

"We have come here for a better understanding of the Chinese people's history to enrich our country's and revolution's experience," he said. He condemned the United States for pursuing a war policy against Nicaragua.

Not long ago, he said, a bill was passed at the request of the U.S. supreme ruler for providing 100 million U.S. dollars to the mercenaries instigated and directed by the U.S. Government so as to continue to finance them in killing Nicaraguan people.

Meanwhile, he said, they continue to pursue a policy of terrorism against Nicaragua by shipping in weapons and dispatching military advisors.

He also reiterated that Nicaragua hopes to normalize its relations with the U.S. Government and is willing to enter into negotiations immediately with it for an agreement on ensuring stability and security in Central America.

On the other hand, he said, they must struggle and make the current or next U.S. Administration reconsider and correct its current policy of defying international law.

Entertained at Beijing Soiree

OW131432 Beijing XINHUA in English 1341 GMT 13 Sep 86

[Text] Beijing, September 13 (XINHUA) — The visiting Nicaraguan President, Daniel Ortega Saavedra, his wife and their party were entertained with a theatrical program specially arranged by the Chinese Ministry of Culture here tonight. The program included songs, dances and acrobatic items presented by Beijing artists.

Qian Zhengying, minister of water resources and electric power, accompanied the Nicaraguan visitors in watching the performance.

In the morning, Ortega laid a wreath at the monument to the people's heroes and paid respects to the remains of the late Chairman Mao Zedong.

Meets With Hu Yaobang

OW130718 Beijing XINHUA in English 0715 GMT 13 Sep 86

[Text] Beijing, September 13 (XINHUA) -- China and Nicaragua should support each other politcally and help and cooperate with each other economically, Chinese Communist Party General Secretary Hu Yaobang said here today.

At a meeting with Daniel Ortega Saavedra, Nicaraguan president and coordinator of the Executive Commission of the National Direction of the Sandinist National Liberation Front, the general secretary noted that China is willing to expand its long-term friendly, cooperative relations with Nicaragua.

China will prove itself a trustworthy friend in Nigaragua in the latter's struggle for sovereignty and independence, Hu said.

Ortega said he is here to exchange views on revolution with Chinese leaders, who are experienced in protracted struggles. Nigaragua has been enlighted by China's past experience, he added.

Cooperation Agreements Signed

OW140822 Beijing XINHUA in English 0708 GMT 14 Sep 86

[Text] Beijing, September 14 (XINHUA) -- Two agreements on trade, and on economic, scientific and technical cooperation between the Chinese and Nicaraguan Governments were signed here today.

Signing the agreements were Wang Pinqing, vice-minister of foreign economic relations and trade, and Pedro Antonio Blandon, vice-minister of foreign cooperation.

Later, the two sides also initialled an agreement on Chinese Government's loan to Nicaraguan Government.

Chinese Premier Zhao Ziyang and Minister of Water Resources and Electric Power Qian Zhengying were present at the signing.

Meets Deng Xiaoping

OW140934 Beijing XINHUA Domestic Service in Chinese 0712 GMT 14 Sep 86

[Text] Beijing, 14 Sep (XINHUA) -- Deng Xiaoping, chairman of the Central Advisory Commission of the Communist Party of China, met with Nicaraguan President Daniel Ortega Saavedra and his entourage at the Great Hall of the People this morning. He briefed them on China's domestic and foreign policies.

Deng Xiaoping said: We are mainly doing several things. Our first task is to wholeheartedly develop the four modernizations program and socialist construction to free ourselves from poverty and become better off by the end of the century. Our second task is to oppose hegemonism, whether practiced by big or small powers, and to defend world peace. We support all actions conducive to the cause of peace, and criticize and oppose whoever practices hegemonism. With the concerted efforts of the people of the world including those of the developed countries, war can be prevented.

He said: China's other task for the 1980's is to work for the return of Taiwan to its motherland. This task is connected with the previous two tasks. To reunify the country, there must be conspicuous developments, the strengthening of the country's might, and marked improvement in the people's living standards. These, plus a peaceful international environment, would make reunification easier.

Ortega said: Nicaragua also opposes war and upholds world peace. We uphold the nonalignment policy and believe that this policy best suits Nicaragua and Central America.

Deng Xiaoping also told the guests: To learn from the experiences of China, it is necessary to study the successes as well as failures. It is essential to proceed from the actual conditions of one's own country, instead of mere imitation. Also present at the meeting was Minister of Water Conservancy and Power Qian Zhengying.

Zhao Bids Ortega Farewell

OW140856 Beijing XINHUA in English 0844 GMT 14 Sep 86

[Text] Beijing, September 14 (XINHUA) -- Nicaraguan President Daniel Ortega Saavedra wound up his three-day state visit to China and left here today by special plane. Chinese Premier Zhao Ziyang bid him goodbye this morning at Diaoyutai State Guesthouse.

At a press conference at the Great Hall of the People before his departure, Ortega said "We are very content with the result of our visit because we've opened up prospectives for strengthening and developing our relations," the president said.

He said China has reiterated its support to the Nicaraguan people and its position for letting Central Americans solve their problems peacefully through negotiations and without outside interference.

YANG DEZHI FETES ARGENTINE MILITARY DELEGATION

OW101930 Beijing XINHUA in English 1539 GMT 10 Sep 86

[Text] Beijing, September 10 (XINHUA) -- Yang Dezhi, chief of General Staff of the Chinese People's Liberation Army, met and gave a banquet for General Teodoro Guillermo Waldner, chief of Joint Staff of the Argentine Armed Forces, and his party here tonight.

Making a toast at the banquet, Yang said both China and Argentina belong to the Third World and are facing the common task of seeking social progress and working for world peace. They both treasure the independence and freedom they won at great costs, he added.

These constitute the reliable basis on which the two countries' friendly relations can continue to grow, he said. Yang also expressed satisfaction with the friendly ties established between the two countries' armed forces over recent years.

Waldner said under the current situation fraught with increasingly fierce international conflicts, stepping up dialogue and consultation can enhance mutual understanding and trust. He said he will work for the growth of friendship between the Argentine and Chinese peoples.

Earlier today, Yang presided over a ceremony on the Square in front of the Military Museum of the Chinese People's Revolution here welcoming Waldner.

NPC DELEGATION HONORED IN PANAMA 12 SEP

OW130208 Beijing XINHUA in English 0146 GMT 13 Sep 86

[Text] Panama City, September 12 (XINHUA) — President of the Panamanian Democratic Revolutionary Party Romulo Escobar Bethancourt said that the day will come when Panama and the People's Republic of China establish diplomatic relations.

The Panamanian ruling party leader said this in a reception in honor of the Chinese National People's Congress (NPC) delegation, headed by Zeng Tao, member of the NPC Standing Committee, Wednesday. He said former leader General Omar Torrijos Herrera had sought ways to develop relations with China, overcoming all kinds of difficulties. Though it is difficult to obtain such a goal at present, he said, it is not impossible. He said the reception held in the General Omar Torrijos Herrera Museum, which the late Panamanian leader used to hold political meetings and receive distinguished foreign visitors, suggested a special significance of improvement of relations between the two countries.

LI PENG MEETS CANADIAN COMMERCE BANK CHAIRMAN

OW121236 Beijing XINHUA in English 1151 GMT 12 Sep 86

[Text] Beijin, September 12 (XINHUA) — Chinese Vice-Premier Li Peng met with Donald Fullertton, chairman and chief executive officer of the Canadian Imperial Bank of Commerce, and his party here this afternoon. Present on the occasion were Chen Jinhua, president of the China Petro-chemical Corportion, and Zhang Wanxin, vice-president of the corporation.

AMBASSADOR TO BARBADOS PRESENTS CREDENTIALS

OW120530 Beijing XINHUA in English 0118 GMT 12 Sep 86

[Text] Bridgetown, Barbados, September 11 (XINHUA) — Both China and Barbados expressed wishes to further strengthen their friendly relations as the new Chinese Ambassador, Gu Zhifang, presented his credentials to Governor-General Hugh Springer today.

At the meeting, the two men discussed a wide range of issues. The new Chinese ambassador paid a courtesy call on Foreign Minister Cameron Tudor on Monday.

The two countries established diplomatic relations on May 30, 1977. Based in Barbados, Ambassador Gui is also accredited to Antigua and Barbuda and Grenada.

WU XUEQIAN ATTENDS MEMORIAL SERVICE IN BEIJING

OW110841 Beijing XINHUA Domestic Service in Chinese 1119 GMT 9 Sep 86

[Text] Beijing, 9 Sep (XINHUA) -- Chen Feng, retired cadre of the Ministry of Foreign Affairs and former ambassador to a number of foreign countries, died in Beijing on 26 August. He was 70. A ceremony to pay last respects to comrade Chen Feng's remains was held at the Beijing hospital this afternoon.

Wu Xueqian and other Chinese leaders sent wreaths and atended the ceremony. Wreaths were also sent by the Ministry of Foreign Affairs, the Organization Department of the CPC Central Committee, the Guangxi Zhuang Autonomous Region people's government, the Nanning City CPC Committee, the Nanning City people's government, and other units.

Comrade Chen Feng joined the revolution in 1936 and the party in 1938. He served successively as first secretary of the Liuzhou City CPC Committee, deputy director of the Civil Affairs Department of the Guangxi people's government, secretary of the Nanning City CPC Committee, mayor of Nanning, deputy director of the Asian-African Affairs Department of the Ministry of Foreign Affairs, and ambassador to Afghanistan, Burundi, Iceland, and Mauritius. During his long service to the country he made positive contributions to socialist construction and foreign affairs work.

ZHAO ZIYANG STRESSES REFORMS IN KEY CITIES

HK110241 Beijing WEN ZHAI BAO in Chinese No 344, 4 Sep 86 p 1

[Article from 21 Aug issue of ZUZHI RENSHI XINXI BAO (ORGANIZATION AND PERSONNEL INFORMATION JOURNAL): "Zhao Ziyang Says Structural Reform of Key Cities Must Be Placed on the Agenda"]

[Text] During an inspection of Henan, Zhao Ziyang said that the original idea on reform was to delegate central and provincial enterprises to the key cities, and then solve the problems of these cities' leadership over the enterprises. How should the key cities go about leading the enterprises delegated to them? It is essential to change the past method of having administrative departments run the enterprises, and the enterprises delegated to the cities must not be handed over to the original management bureaus, thereby perpetuating the division between vertical and horizontal chains of command.

Key cities must bring about a big change in their concept and method of managing enterprises. This is bound to involve the question of structural reform of these cities. Unless corresponding structural reforms are carried out in these cities, and the old concepts and methods of the past are changed. I think it will be very hard to firm up decision-making powers for the enterprises, and their external links will be restricted.

ZHAO ZIYANG INSPECTS TIANJIN CITY, SHANDONG

OW141231 Beijing XINHUA Domestic Service in Chinese 1325 GMT 11 Sep 86

[Text] Beijing, 11 Sep (XINHUA) -- Premier Zhao Ziyang recently conducted a survey and study with the focus on further vitalizing coastal cities and bringing their role into full play while touring Tianjin Municipality and Qingdao and Weifang in Shandong Province.

Premier Zhao Ziyang inspected some enterprises and called a series of seminars. During discussions with provincial and municipal comrades and with comrades from enterprise circles, Premier Zhao Ziyang pointed out: China's coastal areas, particularly cities and zones now open to the outside world, should focus on expanding export-oriented economy. The industrial structure of these areas should be as "light" as possible -- in other words, greater importance should be attached to textiles and light industries producing goods for export. These industries should shift from the previous pursuit of larger quantity of products to better quality and higher grades. All State Council departments and city governments should create for Sino-foreign joint ventures the right "mini-climate" and provide a better investment environment for foreign firms.

Premier Zhao Ziyang said: The economy of coastal areas, which plays an extremely important role in China's modernization, has been growing rapidly. Meanwhile, we must realize that the conditions under which coastal cities developed their economy in the past, that is, very low wages for labor and cheap raw and semifinished materials, are changing. Generally speaking, China's wages and raw materials prices will remain relatively low in the future. However, they will be gradually readjusted and raised in the course of economic reform, rather than staying at the same low level as in the past. This a good thing, although it will certainly create difficulties for some enterprises in coastal areas for a while. However, the state will take measures to help them tide over their difficulties. But the most important thing is that enterprises in coastal areas should clearly recognize the situation -- in other words, they should mentally be fully prepared for such a situation, vigorously improve their capability to overcome those difficulties, and constantly reduce material consumption and production costs and improve product quality, thus creating higher values for their products. It will be useless to shift the burden to consumers.

He said: Enterprises in coastal areas also should closely follow the new trends of economic growth in the Pacific region. Many people abroad are of the view that the Asian-Pacific region is progressing rapidly. Export goods of certain countries and regions in this area are being upgraded steadily. For industries in China's coastal areas, this constitutes a challenge as well as a very good opportunity. Cities and enterprises in China's coastal areas should learn from the experiences of countries and regions in Asia to increase their competitiveness on the international market. They must catch up with the "train" or they will fall behind.

Premier Zhao pointed out: China is a vast country. Therefore, generally speaking, China's economic development should be based on its domestic market. This differs from some trade-oriented island nations or small coastal countries. However, as for China's coastal areas, they should vigorously develop and gradually switch to an export-oriented economy, thus earning more foreign exchange for the country. China's coastal areas have basically the same advantages as countries and areas with an export-oriented economy, and some coastal areas have even better basic conditions than those in other countries. Such coastal cities as Guangzhou, Dalian, Shanghai, Gingdao, and Tianjin, as well as the Changjiang and Zhujiang Deltas, should develop their economy at a faster pace. In this way, they can make greater contributions to the whole country and can be helpful to other areas of the country.

He said: Coastal export-oriented industries should focus on textiles and light industries, because these and some other processing industries will have a great export potential for a long time to come. Of course, such industries with intensive technology and high extra profits as electronics should also be promoted. In coastal areas, economic returns will be greater and the turnover of funds will be faster if the limited funds are invested in light industries instead of in heavy industries, which are marked by great energy and material consumption.

Premier Zhao showed particular concern for coastal areas' export of textiles (including apparel). He pointed out : At present, the major problems in this type of export are poor quality and low grade of products. The proportion of such primary and semifinished products that earn less foreign exchange as cotton yarn and grey cloth for export is too large, while the proportion of such highly processed products for export as printed cloth and apparel is far too small. We must, and are absolutely able to, change this situation in a relatively short time. We should focus on raising the quality of all textiles for export, and should strive to earn more foreign exchange with the same quantity of export products. What we have here are problems in such areas as management, technology transformation, structure, and policy making. We should closely examine problems and solve them one by one. Business administration is a means of great potential and effectiveness. Since the quality of our work contingents in the textile apparel industries is not less than those of some other Asian countries, the key to producing more qualified products and improving productivity is to carry out strict administration so that everyone will work hard during working hours. It is necessary to encourage everyone to correct his work attitude and improve his technological level through awards and punishments. As for technolgoical transformation, the goals should be clear and the priorities stressed. Technology transformation should be carried out by aiming at the crucial differences between China's export and those of other countries and in accordance with the needs of exports. Nothing can be accomplished by launching a huge project without sound planning. Currently, the relations among foreign trade enterprises and production enterprises, such as the apparel, printing and dyeing, weaving, and spinning industries, are very complex; they tend to counteract each other's efforts by endless wrangling. State Council departments and city governments concerned should conduct surveys and studies and launch some pilot projects regarding the matter in order to straighten out these relations, find out the points of common interests, and make all understand that it is beneficial to every party if more foreign exchange is earned, while it means losses to all if less foreign exchange is earned. Only in this way can the enthusiasm of all enterprises be mobilized, and eventually these enterprises will cooperate with each other to strive for better prices for their products on the international market. Therefore, it is necessary to restructure our foreign trade system. Combining industrial production with trade and joint operations of export-oriented businesses is a sound policy and should be promoted on the basis of mutual benefit and voluntary participation.

One of the aims of Premier Zhao's survey and study was to further enhance joint ventures. He said: The fact that many foreign firms are investing in China proves that China is attractive. Our disadvantage lies in having an incomplete infrastructure and underdeveloped service trades. Things are improving in these fields but it will take time. Therefore, China should strive to make the best use of its low labor and other costs which will enable foreign firms to produce goods with markedly higher competitiveness on the international market than they produce in other countries. In this way, more and more foreign firms will make investments in China.

Zhao Ziyang pointed out: We should also create a "mini-climate" which is favorable for Sino-foreign joint ventures and enterprises with exclusively foreign investment, and they should be allowed to manage themselves according to internationally accepted methods. Accordingly, such joint ventures and enterprises should be given all necessary decision-making powers, including the power to manage their employees. With respect to managing joint ventures, the State Council will delegate still greater powers to city governments. On the other hand, city governments should adopt special measures to raise work efficiency and promptly help such joint ventures solve problems. [paragraph continues]

In short, city government should create the necessary conditions for turning joint ventures into enterprises with scientific management, with a clear reward-and-punishment system and high efficiency. When these enterprises are run well, their experience in management can be selectively applied to state-run enterprises, thus expediting the emergence of a batch of new enterprises with modern management in China.

LI PENG ADDRESSES DEFENSE TRANSPORT CONFERENCE

OW121153 Beijing XINHUA Domestic Service in Chinese 1145 GMT 11 Sep 86

[By reporter Wu Kelu]

[Text] Beijing, 11 Sep (XINHUA) -- The defense transport and communications sector should serve the central task of economic construction and shift to peaceful construction. It should also serve the needs of both peacetime and wartime. These remarks were made by Vice Premier Li Peng at a conference on defense transport construction this afternoon.

Li Peng said: Viewing the overall situation, our country is now facing a relatively peaceful international environment and a domestic environment marked by stability and unity. Now is an excellent time for us to speed up economic construction. Economic construction is our country's first consideration, and defense construction, including the work of transport for preparations against war, must be subordinate to it. With this in mind, we should see to it that the defense transport and communications sector makes overall plans and arrangements, takes all factors into consideration, serve the needs of both peacetime and wartime, and makes a balanced development.

He said: The work of making war preparations should be readjusted and reformed. A change in guiding ideology does not mean giving up this work. But the work of making war preparations, which should be subordinate to the interests of the state, should be further accelerating according to current requirements and be done more effectively. Railways, transport, aviation, and mail and telecommunication all have an economic and military character and shoulder economic and military tasks. So they should serve both economic and defense construction.

Li Peng pointed out: The transport and communications sector is a weak link in the national economy as well as a key sector to be developed. In the course of the four modernizations, the state should invest more money in the development of transport and communications. Now we should seize the opportunity to make overall plans and arrangements so that the work of transport and communications for preparations against war will be done while developing transport and communication facilities for peacetime use. The main way to make preparations against war in peacetime is to serve the needs of both peacetime and wartime.

The conference on defense transport construction, which opened on 3 September, exchanged and summarized experiences in making preparations against war and serving the needs of both peacetime and wartime, commended a number of advanced units and individuals that had made remarkable achievements in their work, and discussed the emphasis of work as well as the guiding ideology, principles, and policies for the work of transport for preparations against war in the new period. Vice Chairman Yang Shangkun and Deputy Secretaries General Yu Qiuli, Yang Dezhi, and Hong Xuezhi of the Central Military Commission met all those attending the conference this afternoon. They praised the transport and communications sector for achieving remarkable social and economic results in serving national economic construction by implementing the principle of serving the needs of both peacetime and wartime.

LI PENG COMMENDS OUTSTANDING TEACHERS' EFFORTS

OW121205 Beijing XINHUA Domestic Service in Chinese 1320 GMT 10 Sep 86

[By reporter Zhao Wei]

[Excerpts] Beijing, 10 Sep (XINHUA) -- The State Education Commission, the Propaganda Department of the CPC Central Committee, the CYL Central Committee, and the Educational Workers Trade Union of China held a joint meeting today in the State Council's auditorium at Zhongnanhai to commend outstanding teachers and advanced collectives selected from the nation's educational front.

At the meeting, Comrade Li Peng, on behalf of the CPC Central Committee and the State Council, extended greetings to the 100 advanced counties in developing basic education, front. He also paid respects and expressed thanks to the broad masses of teachers and other educational workers doing industrious work on the nation's educational front and to all comrades and friends showing concern about, supporting, and contributing to the work of education.

Prior to the meeting, Comrades Xi Zhongxun, Qiao Shi, Li Peng, Yu Qiuli, Hu Qiaomu, Deng Liqun, Song Renqiong, Zhou Gucheng, Zhang Jingfu, Qian Changzhao, and Zhou Peiyuan met with represeneatives of advanced counties in developing basic education, advanced counties in developing basic education, advanced collectives, and advanced individuals to be commended at the meeting. The leaders also posed with them for a photograph. When meeting with the representatives, Comrade Hu Qiaomu was the first one to extend festive greetings to them and thanked theme for the contributions they had made under the difficult conditions on the educational front. [passage omitted]

At the meeting, some central leading comrades and responsible persons of the sponsoring units presented red plaques bearing the inscription "Advanced Counties in Developing Basic Education" written by Comrade Hu Yaobang for the representatives of the advanced counties. They also gave out medals for the People's Teacher's award and prizes for advanced collectives on the educational front to the representatives of the recipients.

Li Peng delivered a speech entitled: "Persist in Reform, Vigorously Develop Basic Education." [passage omitted]

More than 800 people attended the meeting. Among them were responsible persons of the departments concerned, including Teng Teng, Zhang Chengxian, Song Defu, and Luo Gan, as well as members of a national outstanding teachers' lecture group and some of the educational workers in Beijing Municipality. The meeting was presided over by He Dongchang, vice minister of the State Education Commission.

Excerpts of Li Peng Speech

OW111415 Beijing XINHUA Domestic Service in Chinese 1137 GMT 10 Sep 86

[Text] Beijing, 10 Sep (XINHUA) -- Title: "Persist in Reform, Vigorously Develop Basic Education" -- Comrade Li Peng's speech (excerpts) at a commendation meeting for outstanding teachers and advanced collectives of China's education system, delivered on 10 September 1986.

Today we are here to warmly celebrate the 1986 Teacher's Day and to commend the advanced individuals and collectives who made outstanding contributions to China's education, especially its elementary education.

On behalf of the CPC Central Committee and the State Council, I extend warm greetings to the advanced counties in elementary education, to winners of the "People's Teacher's Medal," and to the advanced collectives on the educational front! At the same time, I want to use this opportunity to extend cordial greetings to the vast numbers of teachers and educational workers who worked diligently on every educational front: Elementary education, vocational and technical education, higher education, and adult education. I also extend my heartfelt thanks to comrades and friends who are concerned about and support educational work.

At present, the situation on the educational front is undergoing gratifying changes. The whole party and society, and especially party and government leaders, have a markedly higher understanding of the importance of education. "Respecting teachers and their teachings" has begun to be a prevailing social custom. Last April, the "Law on Compulsory Education of the People's Republic of China" was passed at the Fourth Session of the Sixth NPC, which provides a legal basis for popularizing elementary education in China. The State Council has also worked out a series of policies and regulations and has taken a series of measures to reform the educational administrative system, increase the education budget, and improve the teachers' living conditions and the conditions for running schools. All this has made it possible to develop all types of education at various levels. What pleases us most is that local governments at various levels are showing greater initiatives to promote education, that the broad masses of people, Overseas Chinese, and friendly personages are more enthusiastic about founding schools and supporting their operation, and that the vast numbers of teachers are more zealous in their work. A large number of outstanding teachers and advanced collectives have distinguished themselves in all parts of the country. What makes us especially happy is the emergence of a number of advanced counties making impressive achievements in strengthening elementary education and in "respecting teachers and their teachings."

The 1,000 winners of the "People's Teacher's Medal" and the more than 100 advanced collectives on the educational front who were commended today represent only a portion of those who have been outstanding. The State Council has agreed to give winners of the People's Teacher's Medal" -- most of the winners are outstanding teachers in China's elementary education -- remuneration similar to that accorded to model workers of ministerial departments. Regular commendation of outstanding teachers and advanced education workers will continue indefinitely as an established practice of our country.

The 100 advanced counties in elementary education commended today attached importance to elementary education in building socialist material and spiritual civilization. They satisfactorily handled the relations between education and social and economic development, making it possible for elementary education to progress rapidly. The practice of these 100 counties shows that the policy of "placing elementary education under the jurisdiction of the locality" and allowing it to be operated by the locality at the respective level, as laid down in the "CPC Central Committee Decision on Educational Structural Reform," accords with our country's conditions and is completely correct. At the same time, this practice shows that the educational structural reform has greatly aroused the initiative of local cadres and workers on the educational front to promote the development of education, and that the reform has given them a greater snese of responsibility. Through these cadres and workers, we are able to mobilize all sectors of society to support schools and education. We hope that the party committees and governments of the more than 2,000 counties and cities in the country will follow the example of these 100 advanced counties and earnestly assume responsibility for strengthening elementary education to ensure more rapid development of our education. What areas should counties and cities concentrate on in developing elementary education?

I believe they should concentrate on the following:

1. The core of the leadership of various counties and cities should understand more about education. Only by using the guidelines of the CPC Central Committee decision on educational structural reform to improve the understanding of the leading comrades of various counties and cities and inculcate them with the idea that "education must serve socialist construction and that socialist construction must rely on education," can we change the backward state of education in the local areas, fully mobilize the initiative of the broad masses in establishing and operating schools, and create a situation in which every member of society is concerned about and supports education.

2. It is necessary to proceed from the local conditions and seek truth from facts in developing education. The "Compulsory Education Law" took effect on 1 July this year. The next step is to conduct serious investigation and studies and work out a plan suitable to local conditions. Attention should be paid to creating conditions for establishing schools and equipping them with faculties. Avoid blindly competing with each other in seeking higher goals and speed or doing other things that are flashy but without substance.

3. Correct guidance is necessary to successfully develop elementary education. The fundamental goal of elementary education is to raise the standards of our nation and to lay a solid foundation for bringing up capable people for socialist construction, people with idealism, moral integrity, a general education, and a sense of discipline. Schools must implement the policy of conducting moral, intellectual, physical, aesthetic, and labor education to ensure the students' all-round development. Schools should work hard to overcome the unhealthy trend of seeking only to achieve a higher rate in the students' entrance to schools of a higher grade.

4. The development of vocational and technical education should be emphasized at the county and city level. Currently, vocational and technical education in some cities and towns has developed to a certain extent. However, it is still fairly weak in most of the rural areas. This is very incompatible with the need to develop our rural economy and readjust the production structure. Different approaches may be adopted to develop rural vocational and technical education.

5. Faculty shortages and inadequate funds are the two most prominent problems encountered today in implementing the law of compulsory education and strengthening elementary education. We must rely on multiple forces, go through all kinds of channels, and adopt a variety of ways to train and bring up teachers. Institutions of higher learning having the necessary conditions, and teachers colleges and universities especially, should contribute to building up the ranks of primary and higher school teachers. At the same time, all localities should vigorously develop radio and television correspondence courses. Efforts should be continued at the central and local levels to further promote teachers' social status and, as production develops, gradually improve their economic remuneration and their living and working conditions. Increasing investment in education and improving school conditions are important material safeguards for enforcing compulsory education and strengthening elementary education. From now on, party and government leaders at all levels should personally inspect rural schools when they go to the countryside. They should be concerned with local education and see for themselves if there are any unsafe school buildings. They should take action, on the spot, if they find any problems. I hope that this work will become an established system in various localities. Money appropriated by the state or the localities or raised by the general public should be used first of all in resolving the question of unsafe school buildings. From now on, the leadership concerned will be held responsible for any teacher or student casualties caused by the collapse of unsafe buildings.

Enforcing compulsory education and strengthening elementary education is a major task vital to the nation's prosperity and the country's development. The fulfillment of this task in a country that has a large population and with a not yet well-developed economy requires strong determination, vigorous efforts, and a relentless struggle. It also requires down-to-earth work, overall planning, implementation in stages, and steady progress.

SONG PING URGES INTENSIFIED LAND PLANNING

OW141810 Beijing XINHUA in English 1609 GMT 14 Sep 86

[Text] Beijing, September 14 (XINHUA) -- Growing damage to land resources and ecology has made it imperative to intensify the work of land development and control, said Song Ping, state councillor and minister in charge of the State Planning Commission today. He said this at a national meeting to discuss the draft of China's first national program for national land development, which opened here today. He called attention to the denudation of trees, desertification resulting from overgrazing, and damage of vegetation which make some areas prone to droughts and floods, aggravating environmental pollutions in some areas, and faulty urban layouts. One of the reasons for these problems is the long absence of a long-term plan for land development, Song said. It had taken five years to prepare the draft, Song Ping reported.

PENG ZHEN VISITS SANATORIUM, TANGSHAN COMPANY

SK042242 Shijiazhuang HEBEI RIBAO in Chinese 22 Aug 86 p 1

[Text] On the afternoon of 21 August, on his way back to Beijing from Beidaihe, Peng Zhen, chairman of the NPC Standing Committee, specially alighted from his car to visit the people in Tangshan and to express congratulations on the tremendous achievements in building new Tangshan.

After taking a little rest, 84-year-old Comrade Peng Zhen, braving the burning sun, began a visit with the masses. When visiting the Tangshan antiearthquake monument, Comrade Peng Zhen cordially shook hands with the people there and had pictures taken with them. At a sanatorium for paraplegics, Comrade Peng Zhen sat on the bed of Cao Shaohuai, a paraplegic patient, held his hands to ask in detail about his life, and happily signed his name as a memento. Cao Shaohuai said with feeling: "Busy as you are, you still have us in mind." Comrade Peng Zhen said meaningfully: "Forgetting you, we would not be called as communists." Cheng Baokun, another paraplegic patient, gave Comrade Peng Zhen a basket he had carefully woven, and said: "This is for you as a souvenir." Fully understanding his state of mind, Comrade Peng Zhen said happily: "This shows deep affection, and is a priceless treasure." After hearing Zhang Daguang, a patient, speak on his efforts to contribute to the four modernizations despite his disabled body, Comrade Peng Zhen encouraged him: "You are really terrific to do whatever you can for socialism despite your poor health. I wish you a happier life." At the home of He Genzhang at the Shuguang Apartments, Comrade Peng Zhen affectionately held his small daughter on his lap and made inquiries about his family. The host said: "These small living quarters have all the necessary facilities, and it is very convenient for us to live here and go shopping, and for children to go to schools. We are grateful for the concern of the party and state for us, the people of Tangshan." Comrade Peng Zhen had a group picture taken with all four members of He Genzhang's family. At the show room of a ceramics company, Comrade Peng Zhen heard a report on the development of the ceramics industry in Tangshan.

Then he excitedly wrote an inscription with a brush: "Absorb advanced world experiences in making ceramics practical and beautiful, keep improving, and scale heights of the world." He encouraged the ceramic staff members and workers of Tangshan to make greater contributions to the four modernizations.

HU QILI INSPECTS GANSU PROVINCE 19-22 AUG

HK110450 Lanzhou GANSU RIBAO in Chinese 26 Aug 86 p 1

[Report by Zhao Changcai: "Comrade Hu Qili Carries Out Inspection in Gansu Province, Affirming the Work of the Provincial CPC Committee, and the Achievements Made by Cadres and Masses"]

[Text] From 19-22 August, Comrade Hu Qili, member of the CPC Central Committee Political Bureau and the Secretariat, carried out inspection work in our province. Accompanied by Li Ziqi, secretary of the provincial party committee, and Liu Bing, chairman of the provincial People's Congress Standing Committee, Comrade Hu Qili inspected Changfeng Factory, Lanzhou No 1 Woolen Mill, Lanzhou electrical machinery plant, Neiguan Township and Xiangquan Township in Dingxi County, the project to comprehensively bring small rivers under control in Shijiacha, Dingxi County, Hualing experimental tree farm in Dingxi Prefecture. He also visited Lanshan Park in Lanzhou City and the Lanzhou Urban Construction Planning Exhibition, and listened to work reports presented by Gansu Provincial CPC Committee and Dingxi Prefectural CPC Committee. During a period of four days, Comrade Hu Qili went from the urban to rural areas in our province, visited factories, enterprises and peasants' households, and inquired in detail about production, business management, and peastant's livelihood. Comrade Hu Qili was very happy to see the achievements made by the broad masses of cadres and people in overcoming poverty and becoming rich under the leadership of the provincial party committee, and in accordance with the instructions issued by Comrade Hu Yaobang. He fully affirmed the work of the provincial party committee, and the achievements of cadres and masses of various nationalities in Gansu Province, and encouraged people to keep on fighting, work assiduously and perseveringly, and follow a down-to-earth manner to embark on this correct path in order to make new achievements.

Finding a Path for Agricultural Development Which Is in Accord With the Practical Reality in Gansu by Combining the Spirit of the Central Authorities With the Practical Conditions in Gansu.

Since August 1983, people in our province have conscientiously implemented a new guiding pinciple for agricultural development put forward by Comrade Hu Yaobang: "planting grass and trees, developing animal husbandry, transforming mountains and rivers, overcoming poverty and becoming rich," so that rural economy of the whole province will take a new turn for the better. Over the past 3 years, we have increased the acreage of grassland by 9 million mu, and planted trees covering an area of 10 million mu. We have brought 883 small rivers under systematic control, covering a total area of 14,600 square kilometers. Over the past 3 years, total grain output of the whole province reached more than 5. 25 billion jin, and various kinds of domestic animals have developed more rapidly. Seeing the achievement made by our province in this period, Comrade Hu Qili said happily: Over the past 3 years, the Gansu Provincial CPC Committee has led the broad masses of cadres and people to make a big step, and has succeeded in finding a path suitable for the development of Gansu's rural economy. The central authorities feel satisfied with the work of the Gansu Provincial CPC Committee, and fully affirm its achievements. He hoped that the broad masses of cadres, senior and middle ranking cadres in particular, would value the favorable situation in Gansu, which had not come easily, and make Gansu prosperous as early as possible. He also hoped that people would keep on working with one heart and one mind. He stressed: Thanks to the efforts exerted over the past 3 years, you have scored marked results. I hope you will make a further step on this basis.

While inspecting the work of planting grass and trees in Dingxi, town and township enterprises, and peasants' households and listening to the reports presented by Dingxi Prefectural CPC Committee, Comrade Hu Qili pointed out: Great changes have taken place in Dingxi Prefecture over the past 3 years, it had doubled the area planted with grass and trees, the output value of its town and township enterprises, and the per capita income of peasants. Its achievements are great. This is the result of the common struggle carried out by the people in Dingxi. Although this is only a beginning, and has only initially solved the problem of providing people with enough food and clothings, it shows that we have embarked on a correct path. This is the most valuable thing. In the past, the broad masses of basic-level cadres made great efforts and exerted themselves, but they failed to score success, because their line was wrong, and they failed to find a correct path for economic development. At present, you have succeeded in climbing over a steep slope, and ascended another step. But you should keep on fighting, work assiduously and perserveringly, and follow a down-to-earth manner to make progress along this correct path.

Turning Agricultural Economy Into Commodity Economy so That Peasants Can Derive Practical Benefit and Get Something out of it.

When Comrade Hu Qili was inspecting in our province, he repeatedly talked about the problem of turning agricultural economy into commodity economy. He said: In the past you experienced a vicious circle and spiral decline. You are now experiencing a benign circle, and going steadily up. You have started transforming your self-sufficient agriculture and animal husbandry into commodity agriculture and animal husbandry. The key to your success lies in grasping the work of planting grass and trees, promoting development and getting rich. If peasants have failed to derive practical benefit from the work of planting grass and trees, or to get something out of it, they will not listen to you, even if you shout yourselves hoarse. They will plant the grass and trees in spring, and pulled them out in autumn. In winter, they will use them to boil their tea. Therefore, we should enable peasants to derive real benefit from the work of planting grass and trees, and arouse their enthusiasm through this. While talking about the problem of making use of grass to develop animal husbandrdy, Comrade Hu Qili emphasized: Comparatively speaking, the development of grass planting is faster whereas the development of animal husbandry is slower. The development of animal husbandry lags behind that of grass planting. There is a gap in between. How should we fill that gap? We should, first develop commodity grass, and the processing of high-quality granulated fodder so that peasants will derive practical benefit from planting grass. After animal husbandry has developed, we may fully use our grass. Apart from using our grass to raise domestic animals, we should sell some of it as commodity grass. Comrade Hu Qili pointed out that we should help peasants establish commodity economy so that Gansu could develop faster.

During the inspection, Comrade Hu Qili put forward the following demands in order to turn our province's agricultural economy into commodity economy:

We should attach importance to talented personnel, and their training. He emphasized: the training of talented personnel is an important link for developing commodity economy. Otherwise, even if we know where the money is, we cannot get it. He said that he had visited several households whose members were skilled in business, and were quick-witted. We should pay attention to vocational and technical education. Graduates of vocational and technical schools stand between university graduates and graduates of general secondary schools, so these schools are indispensable. We should run more training classes, including those on planting grass, water conservancy, electric energy production, commerce and so on. Automobile and tractor drivers should also be trained. How can a county party secretary carry out his work without knowing about agriculture, water conservancy, and business management. Now the work of village, or county party secretary is different from that of the past. [paragraph continues]

Then, everything was allright as long as they could deal with several main targets of grain, cotton, and edible oil. Now they should grasp commodity economy. Once they are engaged in the work of a certain field, they should become completely familiar with the things in that field. We should train talented personnel in various ways, and invite the able people to be our teachers. We should invite some experts to lecture us. We should pay attention to information, and grasp the subject of circulation well. To develop our thinking we should attach importance to information. How can we promote commodity economy without grasping information? Leading departments should provide peasants with more information on production and management. Circulaton is also important. When business is brisk, we can travel through the four seas. When financial resources are enormous, we may arrive at the three rivers. Without being able to travel through the four seas and arrive at the three rivers, it is impossible for us to promote and enliven commodity economy.

We must foster strengths and circumvent weakness, and exploit our strong points. Comrade Hu Qili said: Ours is a big country, and the development in various localities is uneven. This is our national condition. In a prefecture, the differences between counties are great. In a county, the differences between townships are great. In a township, the differences between villages and households are also great. Therefore, in the process of turning agricultural economy into commodity economy, it is very important to provide guidance based on economic classificaion to ensure a gradual development with emphasis on key projects. We should, first achieve development at one point. After that, we expand it gradually. In other words, we should let some localities get rich first. We should foster strengths, devote our main efforts in this regard, and firmly foster the concept of commodity economy. It is an inexorable trend to develop commodity economy.

We should attach importance to science and technology, and grasp the work of breeding fine varieties. After gaining an understanding of how melons and fruits were produced in our province, Comrade Hu Qili pointed out: We should breed more varieties of melons and fruit. Otherwise, we cannot create a new situaton. Since we have planted a large quantities of potatoes, we should devise methods for processing them. We should process starch potatoes, and so on. Once processing industry is developed, we will get better economic results. We should make use of science and technology, and use our brains to develop commodity economy. At a breeding station in Xiangquan township, Dingxi County, which made use of frozen sperm, Comrade Hu Qili asked about the breeding of fine varieties of cows. He said that we should give more publicity to this work.

Working Creatively and Sticking to the Principle of Serving the Grass-Roots Level

In the process of carrying out inspection and listening to reports, Comrade Hu Qili repeatedly stressed that comrades should work in a down-to-earth manner. He said: Cadres in Gansu have devised many ways to lead peasants to overcome poverty and become rich. Once we know what to do, we should grasp our work firmly. Issuing documents alone is not allowed. Comrade Zi Ai is responsible for the work in Dingxi. He comes to the prefecture several times a year. Such a work style should be advocated while talking about the role of cadres in turning agricultural economy into commodity economy, Hu Qili emphasized that cadres should do the work of providing service before and after production.

Comrade Hu Qili repeated stated: The broad masses of cadres should seek truth from facts, tell the truth, and not tell lies. They should be determined not to launch political campaigns. They should not "demand conformity in everything." They should stick to the principle of seeking truth from facts. We should avoid giving orders, if the orders are subjective and blind. Once we launch a campaign in a rush, people do not dare to speak the truth. [paragraph continues]

The practice of maintaining an outward show, or keeping up appearances should be abandoned. The tower and upper levels should not deceive each other. A Communist Party member should dare to put forth diverging views. Those who speak the truth should not be punished. A criterion for testing a good party member is that he should be useful to developing production forces, and be able to lead peasants to overcome poverty and become rich. He should not follow the wind at the higher levels. Comrade Hu Qili encouraged the broad masses of cadres by saying: We should eat our meals bite by bite, and walk step by step. Our problems should be solved one after another. As long as we keep on doing so, great changes will take place in Gansu in 5 years. In Dingxi Prefecture, he stated: We come from all corners of the country. Some comrades came to work here after they graduated from university. They strive together with the poeple of Dingxi, and have made contributions to its development. To intellectuals who are determined to do something great, serving the people in places where conditions are hard signifies the value and meaning of life.

Political Structural Reform Should Arouse the Enthusiasm of the Broad Masses of People and Promote the Development of Productive Forces

While inspecting our province, Comrade Hu Qili time and again talked about the problem of political structural reform. He stated: Our purpose in carrying out reform is to arouse the enthusiasm of the broad masses of people. The key link of the urban reform is to invigorate enterprises, and give play to the creativity of the broad masses of staff members and workers. We have never thought of binding them hand and foot. In some localities, enterprises are strictly controlled. Birds in a cage are still tied with ropes. This method does not work. We should delegate power, and overcome bureaucracy.

Comrade Hu Qili said: One important aspect of political structural reform is to solve the problem of how organs at the higher level should serve those at the lower level, and how superstructure should serve the economic base. Our leading organs should not meddle in things which are not their responsibility. In the past, our work was characterized by overconcentration of power. But how could we do so? It is even difficult for the central authorities, provincial party committees, and prefectural party committees to concentrate too much power. Can you ask people to plant the same crop? Therefore, we should carry out political structural reform in accordance with the demand of the development of productive forces, and commodity economy.

Comrade Hu Qili said again: The broad masses of people hope that we will overcome bureaucracy, and that they will be given more democratic rights, and that they will be able to supervise working personnel of the party and government as a result of political structural reform. At present, the factors of rule by man are too great in many aspects, and the factors of rule by law are completely insufficient. We should devise methods for reform, which are in accord with our national conditions, and can provide people with certain democratic rights. In the meantime, through political structural reform, we should establish a cadre system with Chinese characteristics.

When Comrade Hu Qili was carrying out inspection work in Gansu, he successively held discussions with responsible comrades such as Zhao Xianshun, Li Xuanhua, Huang Luobing, Lu Kejian, Wang Zhangchang, Wang Jintang, Song Jingcun, Ge Shiying, Lu Ming, Zhang Wule, and others.

QIAO SHI ADDRESSES RECTIFICATION FORUM

OW131155 Beijing XINHUA Domestic Service in Chinese 1140 GMT 12 Sep 86

[By RENMIN RIBAO reporter Yin Pinduan and XINHUA reporter Xu Xinhua]

[Text] Beijing, 12 Sep (XINHUA) — Qiao Shi, member of the Political Bureau and Secretariat of the CPC Central Committee, pointed out the following when addressing a forum on rectifying party style attended by responsible comrades of provincial, municipal, and autonomous regional party committees: Rectifying party style is a task to be carried out throughout the whole process of reforms and the whole modernizaiton program. Serious efforts should be made to implement the central authorities' principle that rectifying party style should be grasped simultaneously with reforms and economic construction and "earnstly carried out for the next 2 years." The work of rectifying style should continue to be grasped persistently and unremittingly.

The forum was held between 8 and 11 September in Beijing by the Leading Group for Rectification of the Central Organ's Party Style with the concurrence of the CPC Central Committee Secretariat. The forum's main task was to study the relevant instructions issued by the central authorities, exchange information and experience, and discuss how to develop in greater depth the work of rectifying party style.

Comrades Qiao Shi and Wang Zhaoguo presided over the forum. Wang Zhaoguo relayed the important instructions issued this year by the standing committee of the CPC Central Committee Political Bureau on the work of rectifying party style.

Comrade Qiao Shi delivered a speech. In it, he reviewed the results achieved and principal methods used by various departments and various provinces, autonomous regions, and municipalities in carrying out the work of rectifying party style since the central organs' meeting attended by 8,000 people in January this year.

He said: The work of rectifying party style, which was started in central organs and Beijing Municipality, has produced a great impact on the whole country. Party committees in various localities have, one after another, made the demand that the same work be carried out in their respective localities, starting with leading organs and leading cadres. They have taken the lead to carry forward our party's fine tradition and style, bringing about a change in the work style of various organs. Now a gratifying situation has appeared where the whole party is paying attention to party style.

Qiao Shi said: Following the central organs' meeting of 8,000 people, a number of big and important cases have been investigated, dealt with, and announced by the central and local authorities. Serious efforts have been made to investigate and correct the unhealthy tendencies existing in various organs. In the meantime, the central organs and all localities have paid attention to solving the striking problems pointed out by the masses. A good start has been made to correct the specific unhealthy tendencies in various trades and professions.

In leading organs at various levels, a new situation has appeared as a result of efforts to improve work style and raise work efficiency. All localities and departments have tried to improve party style by proceeding from reality and paying attention to ideological education and the establishment of necessary systems. To sum up, the work of rectifying party style has achieved certain results after more than 8 months of strenuous work.

Pointing out the problem existing in the present work of rectifying party style, Comrade Qiao Shi said: If viewed as a whole the development of the work of rectifying party style remains uneven. Leaders of some units have not met the central authorities' requirements as far as their understanding of the work of recitifying party style is concerned. A few units have the tendency to relax their work in rectifying party style. In some localities, obstacles still exist to the investigation and handling of cahes of unhealthy tendencies. In certain units, mistakes have continued to appear while the work of rectifying party style is being carried out. In view of this, we should not tolerate blind optimism, anxiety for quick results, and the tendency to slack off and relax efforts.

With regard to the inadequate understanding of the relationship between rectification of party style and the work of reforms, Comrade Qiao Shi pointed out: Good party style is a powerful impetus to reform and a guarantee for healthy and smooth development. We should enthusiastically support those who are energentically conducting reform. As for those who have made mistakes in conducting reform, we should help them sum up experience, improve their reform measures, and give them support in continuing their reforms. Those who have violated law and discipline to a servere extent should be investigated and dealt with seriously as required by the law, policy, and party discipline. To do so is to protect the development of reforms. It is imperative to seek truth from facts and proceed from reality in doing everything -- this is the general principle for grasping the policy.

Referring to the forthcoming work, Comrade Qiao Shi said that we should continue to act in accordance with the party Central Committee's instructions and demands on rectifying party style. He stressed: In the days to come, we should continue to firmly grasp the investigation and handline of big and important cases. Work in correcting unhealthy tendencies should be carried out in greater depth. In improving the work style of various organs, emphasis should be placed on raising work efficiency and overcoming bureaucratism. In addition, it is necessary to strengthen the work of ideological education and the establishment of various systems, improve political activities within the party, and foster a good party style. He added: As Comrade Deng Xiaoping once pointed out, we say we will spend 2 years rectifying our party style. Actually, after 2 years we still have to do this. "We should carry on the work of correcting unhealthy tendencies and striking at economic crimes as long as our policy of opening to the outside world and enlivening the domestic economic continues." Party committees at all levels should study the new circumstances and solve new problems by following the central authorities' established principles and proceeding from the actual situation of their respective localities and units. Leading cadres at all levels should have the spirit of doing realistic work. That is, they can make fewer empty talks and issue fewer general calls, but should do more realistic work. They should do down-to-earth work in an effort to make continuous progress in improving party style.

Reports on developing the work of rectifying party style and correcting unhealthy tendencies in various trades and professions were delivered at the forum by Li Ximing, secretary of the Beijing Municipal CPC Committee; Wang Ning, deputy secretary of the Guangdong Provincial CPC Committee; Wu Jichuan, member of the Leading Party Group of the Ministry of Posts and Telecommunications and currently vice minister of posts and telecommunications; and Li Jixiang, member of the Leading Party Group of the Ministry of Railways.

Comrades participating in the forum studied in a serious manner the important instructions on rectifying party style given by the Standing Committee of the CPC Central Committee Political Bureau. They discussed the instructions and studied measures for implementing them in accordance with the guidelines contained in Comrade Qiao Shi's speech and by taking into consideration the specific situation of their respective localities.

XI ZHONGXUN, LI XIMING ATTEND SPORTS MEET CLOSING

SK150542 Beijing BEIJING RIBAO in Chinese 7 Sep 86 p 1

[Excerpt] The gymnasium of the capital was permeated with a jubilant atmosphere on the afternoon of 6 September. A closing ceremony for the Seventh Beijing Municipal Sports meet was ceremoniously held here.

Xi Zhongxun, member of the Political Bureau and member of the Secretariat of the CPC Central Committee; Rong Gaotang, secretary general of the Central Advisory Commission; Li Ximing, Xu Weicheng, and Bai Jiefu, leading comrades of Beijing Municipality; Zhang Caizhen, vice minister of the State Physical Culture and Sports Commission; and Xia Xiang, vice president of the All-China Sports Federation; attended the closing ceremony to enjoy the youthful happiness with more than 10,000 youngsters. [passage omitted]

XI ZHONGXUN ATTENDS COLLEGE ANNIVERSARY MEETING

OW120936 Beijing XINHUA Domestic Service in Chinese 1343 GMT 10 Sep 86

[Text] Beijing, 10 Sep (XINHUA) — Over 1,000 alumni, both old and new, of the Beijing College of Traditional Chinese medicine gathered for a meeting today to celebrate the college's 30th founding anniversary. Party and state leaders Xi Zhongxun, Song Rengiong, Liu Lantao, Huang Huoqing, Peng Chong, and Hu Ziang attended the celebration meeting. Li Peng sent a message of greetings to the meeting.

Xi Zhongxun addressed the meeting. He said: The medicine of our motherland has a long history. It was developed by our ancestors after long years of investigation and summing-up of experience and, therefore, is a crystallization of the wisdom of the Chinese nation. He praised the achievements made up by the Beijing College of Traditional Chinese Medicine since it was founded 30 years ago. He also expressed the hope that, in line with the characteristics of traditional Chinese medicine, the college will make intensive and meticulous efforts to reform its leading system and its systems of teaching and scientific research so that large numbers of competent traditional Chinese medical doctors and pharmacists will be brought up for our country and the college will become a model for conducting structural reform among the institutes of traditional medicine throughout the country.

Also present at today's celebration meeting were responsible persons from the Ministry of Public Health, the State Education Commission, and other departments concerned, including Chen Minzhang, Hu Ximing, Yang Haibo, Zhang Zhenhuan, and Bai Jiefu. Foreign guests, numbering some 50, from 8 countries, including Japan, Italy, and the United States, joined this celebration activity.

XI ZHONGXUN PAYS LAST RESPECTS TO NOTED SCHOLAR

OW121028 Beijing XINHUA in English 0946 GMT 12 Sep 86

[Text] Beijing, September 12 (XINHUA) — China has lost a noted scholar and respected educator with the passing of Wu Shichang. The death of Wu Shichang is considered a great loss to China's academic circles, say public officials in the cultural field who paid their last respects to the scholar at a recent ceremony. Wu, 78, died after a lengthy illness on August 31st.

Wu gained fame as a noted researcher after publishing his works on the Chinese classic "Dreams of the Red Mansions." Experts in the research field say Wu's work gave new insights and meaning to the ancient novel. Wu's other works include research into many aspects of Chinese culture and history. He even analysed ancient inscriptions on bones, tortoise shells and bronze artifacts. Wu had also written extensively on ancient chinese culture and other literary works.

An educator for 50 years, Wu helped train many academic researchers and promoted cultural and academic exchanges between China and foreign countries. In 1947, he was hired by Oxford University where he worked many years as a proctor conducting examinations of graduate students. Wu returned to China in 1962. In 1983 Wu became a member of the Standing Committee of the Sixth National Congress.

Among the 400 people paying their last respects to Wu today were Xi Zhongxun, Hu Qiaomu, Deng Liqun, Peng Chong, Zhou Gucheng and Huang Hua.

XI ZHONGXUN, OTHERS MOURN WOMAN SCIENTIST

OW131252 Beijing XINHUA in English 1214 GMT 13 Sep 86

[Text] Beijing, August 13 (XINHUA) -- Lu Shijia, the first Chinese woman hydromechanics expert, was mourned here today by 400 people from all walks of life in the Chinese capital.

Professor Lu, vice-president of the Aerodynamics Society of China and deputy director of the Gas Dynamics Committee of the China Astronautics Society, died here August 29 at the age of 75.

Professor Lu, also a member of the Standing Committee of the Chinese People's Political Consultative Conference (CPPCC) National Committee, graduated from the Physics Department of the then Beijing Teachers University in 1933 and got her doctorate in Gottingen in 1942. After returning to China in 1946, she taught successively at Tianjin and Qinghua Universities, and the Aeronautical Engineering Institute in Beijing. Since the early 1950s, she was engaged in research on viscous hydromechanics and magnetohydrodynamics. In recent years, although advanced in age, she gave enthusiastic support to the development of biohydromechanics. By so doing, she laid a foundation for the country's teaching and research into gas dynamics.

Member of the Political Bureau of the Chinese Communist Party Central Committee Xi Zhongxun, vice-chairmen of the CPPCC National Committee Yang Jingren, Zhou Peiyuan and Qian Xuesen, were among the mourners who paid their last respects to the remains of Professor Lu. Deng Yingchao, chairwoman of the CPPCC National Committee, presented a wreath.

CENTRAL LEADERS MEET PETROCHEMICAL WORKERS

OW121015 Beijing XINHUA Domestic Service in Chinese 0610 GMT 10 Sep 86

[By reporter Huang Fengchu]

[Text] Beijing, 10 Sep (XINHUA) -- Representatives of 143 model workers and 37 advanced collectives -- the cream of the nation's petrochemical industry -- today were received by the central leaders at Zhongnanhai.

Central leaders receiving the representatives were Xi Zhongxun, Qiao Shi, Li Peng, Yu Qiuli, Hu Qiaomu, Deng Liqun, Song Renqiong, Zhou Gucheng, Zhang Jingfu, Qian Changzhao, and Zhou Peiyuan. Among the model workers received were leading cadres who are dedicated to reform and have constantly blazed new trials, engineering and technical personnel who have won honor for the country and have worked hard to to catch up with the world's advanced level, as well as conscientious, outstanding workers active in the forefront of production. After the reception, the central leaders had a photograph taken with them.

TIAN JIYUN, SUN WEIBEN VISITS HEILONGJIANG TEACHERS

OW121255 Beijing XINHUA Domestic Service in Chinese 1505 GMT 11 Sep 86

[Text] Harbin, 11 Sep (XINHUA) -- Currently conducting an inspection tour in Heilongjiang Province, Tian Jiyun, member of the Secrtariat of CPC Central Committee and vice premier of the State Council, visited the Third Elementary School of the Fifth Forestry Zone, located in the remote Xiao Hinggan Ling, to extend holiday greetings to teachers of that school.

Tian Jiyun said to the teachers: You have worked long years in the mountains and your work is hard. You are unknown heroes who have made great contributions to the development of our motherland's education in remote woodlands. I hope you will continue to work hard to improve our education so that more people will become pillars of the state. He also asked the teachers about their working and living conditions and solicited their opinions. Sun Weiben, secretary of the Heilongjiang Provincial CPC Committee, accompanied the vice premier during the visit.

YANG SHANGKUN LAUDS HEBEI MILITIA TRAINING BASES

OW111031 Beijing XINHUA Domestic Service in Chinese 0108 GMT 9 Sep 86

[By correspondent Li Jianghai and reporter Zheng Zhanguo]

[Text] Shijiazhuang, 9 Sep (XINHUA) -- The 150 or so militia training bases in Hebei have been using their resources to help local peasants fight poverty. As a result, nearly half of these militia bases have become financially independent, the local peasants' average per capita share for supporting militia training has been reduced to only one-fourth of that in 1984, and some bases have turned over more than 100,000 yuan to the state. After conducting an on-the-spot inspection, Yang Shangkun, vice chairman of the Central Military Commission, pointed out that the way these militia bases use their resources is good and should be popularized.

Because of the huge expenses needed for militia training, the burden borne by the masses had long been heavy. Beginning in 1983, the Hebei Military District started to make multipurpose use of the resources of its militia training bases. Guided by an open policy, the bases' teaching staff, equipment, and buildings have been allowed to serve the rural areas' economic construction. According to the local needs, the bases have sponsored courses teaching scientific and technical subjects and production know-how. Since 1983, these bases have taught more than 100,000 people at least one or two practical production techniques useful for improving their living standard. Operating independently or cooperatively with local units, these bases have also sponsored 670 classes teaching courses on farming, aquaculture, transportation, processing, service trades, and scores of other operations. So far, over 60,000 people have become skilled craftsmen in various trades, nearly 10,000 people have become specialized operators, and over 5,000 people have become organizers of integrated economic units.

In the 127 driving training classes they have sponsored, bases in Tangshan and 25 other locations have trained over 7,500 certified drivers, thus promoting transportation services in the rural areas and training a reserve technical force for use in time of war.

While training the needed personnel for the rural areas, militia training bases in Hebei have sponsored over 500 production projects; these projects have brought in more than 3.6 million yuan of revenue for them annually. Thus, in addition to being self-sufficient, many of the bases have also used their resources to pay peasants for the time they take part in militia training and to subsidize their meals.

YANG DEZHI ADDRESSES CAMPAIGN THEORY SEMINAR

OW121017 Beijing XINHUA Domestic Service in Chinese 0716 GMT 10 Sep 86

[By reporter Xu Jingyao]

[Text] Beijing, 10 Sep (XINHUA) -- At the all-army seminar on campaign theory which concluded today, the names of six commanders of military districts or services, who assumed office in the past few years, and a number of young, middle-aged military theory researchers appeared in the namelist of 227 people who received awards for their fine treatises.

Chief-of-General Staff Yang Dezhi delivered a speech at the seminar. He said: As our army is in a historical transitional period, it is all the more important and urgent to create and develop military theory in the practice of national defense construction and to solve the new problems in connection with the actual conditions. Studying the development of national defense strength and the modernization of the Army in peace time as well as future wars, represents an important task for us military theory researchers. He said that we must explore and blaze new trails if we want the Army to advance and theory to flourish. We should promote open research, widen our horizons, and monitor the changes in the world military scene.

The all-army seminar on campaign theory began on 3 September.

YANG DEZHI CONFERS HONOR TITLE ON MARTYR

OW131113 Beijing XINHUA Domestic Service in Chinese 1354 GMT 10 Sep 86

[Text] Beijing, 10 Sep (XINHUA) -- Yang Dezhi, chief of the PLA General Staff, signed an order to confer the honor title of "Lei Feng-type cadet" on the Martyr Huang Xiliang, a graduate of the Shenyang Artillery Academy. Today, the General Staff Department held the naming ceremony.

Huang Xiliang hailed from Neixiang County, Henan. After graduating from the Shenyang Artillery Academy in July 1985, he resolutely asked to join the border defense units in Yunnan. He feared neither difficulties nor dangers, fought heroically, and was killed in action while counterattacking Vietnamese aggressors.

The order signed by Yang Dezhi points out: Huang Xiliang was a man of noble communist ethics and down-to-earth work spirit. He took Lei Feng as his model, always found it a pleasure to help others, develop his lofy ideals to the post of serving the motherland, and regarded selfless dedication as the criterion of the value of a man's life.

His life was short, but he made great contributions to the people. He was praised by the masses for "sowing the seeds of spiritual civilization."

The order calls on all comrades of the General Staff Department to broaden and deepen activities of learning from the martyr Huang Xiliang, to learn from his selfless dedication to the people and his revolutionary spirit of bravely giving his life to the motherland, to make efforts to promote socialist spiritual civilization, and to strive for our army's revolutionization, modernization, and standardization!

HU QIAOMU ATTENDS MEMORIAL SERVICE 11 SEP

OW121211 Beijing XINHUA Domestic Service in Chinese 1138 GMT 11 Sep 86

[Excerpts] Beijing, 11 Sep (XINHUA) — Yang Jiaxiang, an exemplary CPC member, a loyal communist fighter, former deputy director-general of the XINHUA NEWS AGENCY, and former director of the Communications Command of the PLA Capital Construction Engineering Corps, died of illness in Beijing on 3 Sep at the age of 64. [passage omitted]

A ceremony to pay a last tribute to Comrade Yang Jiaxiang's remains, lying in state, was held at the Babaoshan Cementary for Revolutionaries this afternoon. Hu Qiaomu, Deng Liqun, and leading members of the relevant departments Mu Qing, Zhu Muzhi, Teng Teng, and Yang Qianli attended the ceremony. Hu Qiaomu, Deng Liqun, Wang Zhen and Zeng Tao sent wreathes. Also sending wreathes were the General Offices of the CPC Central Committee and the State Council; the PLA General Staff Headquarters; the Propaganda and Organization Departments of the CPC Central Committee; the XINHUA News Agency; the Communications Department of PLA General Staff Headquarters; the Ministry of Electronics Industry; party committees of departments under the CPC Central Committee; the offices of RENMIN RIBAO, the Ministry of Radio, Cinema, and Television; the HONGQI ZAZHI Office; JIEFANGJUN BAO office; the NONGMIN RIBAO Office; the All-China Journalists' Association; and the Linyi Prefectural CPC Committee and Administrative Office, and the Junan County CPC Committee and Shandong people's government.

RELIEF FUNDS ALLOCATED FOR DISASTER AREAS

OW120500 Beijing XINHUA in English 0153 GMT 12 Sep 86

[Text] Beijing, September 12 (XINHUA) — The Chinese Government has allocated relief funds totalling 780 million yuan (210 million U.S. dollars) to areas hit by natural disasters so far this year.

Yao Shaoyu, an official of the Civil Affairs Ministry, said here today relief funds this year were generally fine except for a few areas where more than 26 million hectares of crops were hit by drought, flood and storms, and 550,000 houses were toppled.

In addition to the relief funds, the state has provided a large amount of rolled steel, cement, timber, motor vehicles, glass and chemical fertilizer to disaster areas.

PENALTIES IMPOSED FOR MAKING SUBSTANDARD GOODS

OW110801 Beijing XINHUA in English 0741 GMT 11 Sep 86

[Text] Beijing, September 11 (XINHUA) — Managers of state-owned enterprises in Jinan in Shandong Province in east China will be fired if they persist in making substandard goods, the "ECONOMIC DAILY" reported today. Also today, the "WORKERS' DAILY" said city officials in Shenyang, capital of Liaoning Province in northeast China, had docked workers' bonuses and had threatened to cut managers' salaries for producing inferior goods. In Jinan, city officials said they will fire any factory manager whose products failed government spot checks three times.

According to the "ECONOMIC DAILY," 38 percent of the products tested in spot checks over the last year in Jinan were found to be defective. In Shenyang, city officials canceled this month's bonuses for workers in six plants, including a tool factory and a welding machine manufacturer, the "WORKERS' DAILY" said. The national labor paper said the plants' products failed to pass government quality standards in a spot check earlier this summer. As a result, it said, the plant has been ordered to meet the standards by the end of the year or face a reorganization that will involve a halt to bonuses and 10 percent salary cuts for its manager and executive staff.

CONSUMER PRODUCTS SALES EXPECTED TO RISE

HK120338 Beijing CHINA DAILY in English 12 Sep 86 p 2

[By staff reporter Xie Songxin]

[Text] Sales of consumer products in China are expected to rise after sluggish sales in the first six months of this year, CHINA DAILY has learned.

The Ministry of Commerce plans to sell 482 billion yuan worth of products this year, 12 percent more than last year, a ministry official said. Next year, retail sales are expected to hit 530 billion yuan.

The State Statistics Bureau disclosed that retail sales increased 11.8 percent in the first six months of 1986, compared to the same period a year ago. In the first two quarters, retail sales totalled 235.1 billion yuan.

About 38.14 billion yuan worth of commodities was sold in July. The ministry is working to sell another 208.76 billion yuan worth of goods in the remaining five months — nearly 42 billion yuan a month.

The 11.8 percent growth rate in the first half of the year was far below that of the corresponding period last year. If the inflation rate, which was 4.4 percent by April, were factored in, retail sales in some areas would have shown no increase at all.

But a ministry official said the trend is toward stabilization after abnormal market conditions last year.

He noted that consumers have stopped their "purchasing rush" and have begun to seek out high quality and brand name goods.

The industrial production growth rate in the coming months will exceed the 5.7 percent of the first eight months, the official predicted. The State has forecast an annual increase of 7 percent, but is working toward pushing that to 8 percent.

Chinese workers' income by July reached 81.2 billion yuan, while the annual inflation rate was running at under 7 percent.

Farmers enjoyed a bumper summer harvest, the official noted. Grain output reached 93 billion kilograms, 4.25 billion kilograms more than last summer.

The harvests have increased farmers' purchasing ability and provided ample supplies of raw materials for the non-staple food industry and livestock raising.

The State Council has ordered cuts in investment in fixed assets and a slowdown in the increase of consumer funds to control demand for consumer goods.

"China's consumer product demand is greater than supply," the official said. "It is imperative to stabilize the market."

But existing problems, such as an irrational commodity structure, may continue to affect the market, he added.

SHIP REPAIR INDUSTRY SHOWS BEST PERFORMANCE

HK120350 Beijing CHINA DAILY in English 12 Sep 86 p 1

[By staff reporter Wang Gangyi]

[Text] China's thriving ship repair industry is showing a best-ever performance from the first seven months of this year following management reforms and technical developments.

Between January and July this year, the industry met 84 percent of its 1986 target, an increase of 23.9 percent over the same period of last year, according to Bi Yueran, Managing Director of the Ship-repair Department of the China State Shipbuilding Corporation. (CSSC)

"We expect the industry to grow by 69.5 cent this year over 1985 following a steady increase in 1984 and 1983," he said.

There are 19 shipyards within CSSC which undertake repair work on major military and merchant marine vessels in China. Its 23 dry and floating docks amount to 70 percent of the total capacity available in the country.

The managing director attributed the industry''s superb performance to better management, introduction of new technology and increasing foreign business.

A contract system has been widely adopted in the corporation's shipyards since 1984, greatly stimulating the workers.

New technology and facilities, such as chemical cleaning equipment, pneumatic aerial platforms, power-towers and blasting machines, have been used.

The corporation has also cooperated with some related firms from Switzerland, Norway, the United States, West Germany and Singapore to set up more than 10 special service stations for turbochargers, deck machinery, electrical equipment, telecommunication and navigation instruments, part replacement, propellor repair and hydraulic equipment.

The director said that last year, the corporation repaired 85 ships from abroad compared with 26 in 1983. "This year, we expect to repair over 100 foreign ships."

At present, the department has links with more than a dozen countries, including Britain, Greece, the United States, Cuba, Poland, Romania and the German Democratic Republic.

He disclosed that China and the Soviet Union were making contacts on the possibility of resuming the repair of Soviet ships in China. The Soviet Union used to have its ships repaired in China in the 1950s. But this ended when relations turned sour in the 1960s.

The director also revealed that a Polish shipping company had expressed interest in establishing ship repair bases in China.

During the past two years, the department has developed a ship conversion sector. The vessels it has converted included off-shore oil-platforms, scientific research ships and surveying vessels used in the country's satellite launchings.

However, the director pointed out that China's ship repair industry was still in its development stage and some of its technologies were backward compared with some other countries.

The department is taking new measures to improve the management and to bring in more advanced equipment.

According to the director, the department has invited some ship repair experts from Singapore to give lectures in China and crash-courses have been arranged for managers at various levels.

At present, an exhibition and conference on ship repair, spares, maintenance and conversion is being held in Beijing. This is the first international exhibition and conference if its kind held in the country and has drawn representatives of nearly 20 companies from seven countries as well as several dozen Chinese companies.

INTERNATIONAL BOOK FAIR TERMED 'BIG SUCCESS'

HK120324 Beijing CHINA DAILY in English 12 Sep 86 p 1

[By staff reporter Guo Zhongshi]

[Text] China's first International Book Fair closed in Beijing yesterday with more than 40,000 orders from Chinese organizations and individuals and the signing of "a lot of agreements" for joint publications between Chinese and foreign publishers.

The fair, organized by the China National Publications Import & Export Corporation (CNPIEC), was described as a "big success" by both the organizers and the exhibitors from 1,000 publishing houses in 35 countries and regions.

The week-long fair displayed 50,000 books covering science, education, economics and culture, said Zhao Yingshu, director of the Planning Department of the CNPIEC.

"It has offered the Chinese reading public a kaleidoscopic glimpse of the world's best publications," he said.

Yuriy Leonov, head of the Soviet Miezhdunarodnaya Kniga (International Bookstore), told CHINA DAILY the fair had been an organizational success. But, he said, the exhibition space devoted to the fair should have been bigger as it had been too crowded.

Toyuda Toshiyaki, of the Japanese Igaku-Shoin medical book stand, said he was surprised by the number of people who came to visit the fair. "I am very impressed by the knowledge-seeking Chinese.

He regretted having brought so few books as it had been his company's first chance to exhibit in China. "We will bring more books that are better suited to the conditions in China next time." The international book fair will now be held every two years in Beijing.

Fred Kobrak, from New York-based U.S. MacMillan Inc., told CHINA DAILY the Beijing fair was by far the best compared with first-time book fairs he had seen in other countries.

Kobrak said what was needed was an acceleration by China in joining the international copyright convention and enough foreign currency being made available to buy books.

Indeed, he said, after a few years, Beijing would be known as the Frankfurt of the East. "And who knows perhaps a few years later, Frankfurt would be known as the Beijing of the West."

He expressed the concern over whether enough of the orders placed by the Chinese would actually be processed to make his trip worthwhile.

But Zhao Yingshu from the CNPIEC told CHINA DAILY his corporation would satisfy all the orders by organizations as well as individuals who pay in Chinese currency while the State granted CNPIEC in exchange the foreign currency it needed for dealing with overseas publishers. Besides, he said, all the books ordered would be sold to the buyers at reduced prices.

JIANGSU RESETTLES 125,000 DEMOBILIZED PLA CADRES

OW141301 Nanjing Jiangsu Provincial Service in Mandarin 2200 GMT 11 Sep 86

[Text] After taking measures to cope with various difficulties, our province has resettled more than 125,000 demobilized military cadres and 140,000 dependents. To further boost the work of resettling demobilized military cadres, the provincial government and provincial Military District held in Nanjing yesterday a meeting of representatives of advanced collectives and advanced individuals in resettling demobilized military cadres. Chen Huanyou, deputy secretary of the provincial party committee, and (Yu Yongbo), director of the Political Department of the Nanjing Military Region, addressed the meeting. (Su Hao), Wang Bingshi, (Liu Xinghan), and others attended the meeting.

JIANGSU LEADERS REVIEW SMALL TOWN STUDIES

OW120901 Nanjing Jiangsu Provincial Service in Mandarin 2200 GMT 9 Sep 86

[Excerpts] In recent years, the study of small towns has been vigorously implemented in Jiangsu Province and great headways and numerous achievements have been made in this aspect. Secretary of the provincial party committee Han Peixin recently called the study of small towns a bridge of mutual understanding between scholars and peasants. [passage omitted] A report meeting on the study of small towns in Jiangsu Province was held in Nanjing from to 8 September. At the meeting, Professor Fei Xiaotong heard the reports on Jiangsu's achievements in the study of its small towns conducted in recent years. Attending the meeting were Han Peixin, Gu Xiulian, and other provincial leaders.

SHANDONG CPPCC STANDING COMMITTEE MEETING OPENS

SK130922 Jinan Shandong Provincial Service in Mandarin 2200 GMT 12 Sep 86

[Text] The 17th Standing Committee meeting of the provincial CPPCC Committee opened in Jinan on 12 September. The meeting will last for 10 days, during which the participants will conscientiously study the directives of the central authorities and the central leading comrades on safeguarding the socialist legal system and systematically study the Constitution, criminal law, the law on criminal procedure, the law on civil procedure, the marriage law, the inheritance law, the contrct law, the military service law, and the regulations on public security management and punishment.

Li Zichao, chairman of the provincial CPPCC Committee, gave a speech to mobilize the people to study these laws and regulations at the plenary meeting held in the afternoon of 12 September. He emphatically pointed out: All activities of the CPPCC Committees are held in line with the Constitution, which is regarded as the fundamental criterion. Therefore, studying and mastering the law and enhancing the sense of law are necessary for comrades who are engaging in CPPCC work. All people are required to further understand the ideology of the central authorities on grasping construction on the one hand while grasping the legal system on the other, to fully understand the importance and necessity of safeguarding socialist democracy and strengthening the building of the socialist legal system under the new period, to take the lead in setting examples, to manage things strictly in line with the law, and to strive to push forward the province's legal knowledge popularization work and the building of the legal system.

SHANGHAI'S BAOSHAN STEEL, IRON EXCEEDS TARGETS

HK150340 Beijing CHINA DAILY in English 15 Sep 86 p 2

[By staff reporter Zhen Fan]

[Text] Shanghai -- The Baoshan Steel and Iron Complex has been operating smoothly and successfully since it started trial operation on September 15 last year.

It has turned out 2.34 million tons of iron, 2 million tons of steel ingots, and 1.64 million tons of steel billets, Wang Peizhou, deputy director of the complex, told CHINA DAILY. These production levels surpassed State targets by 25.6 and 26.9 percent respectively.

During the year, the complex exported 360,000 tons of iron, 1.46 million tons of steel billets, 264,000 tons of coke and 80,000 tons of chemical products, according to Wang.

Wang said their products were also sold in 16 provinces and cities in the country, thus helping meet the increasing demand for steel and save quite a sum of foreign currency by cutting steel imports.

"The successful operation of Baoshan has accelerated the development of the country's metallurigcal industry," Wang said.

"On the principle of abiding by the contracts and not violating patent rights, Baoshan has paid much attention to absorbing advanced foreign technology and developing it for our own use," Wang said.

"Normally," the deputy director said, "a newly-built iron and steel mill in or country takes quite a long time before it can run on its own budget, especially a complex like ours, which needs heavy investment and relies mainly on imported equipment and raw materials."

"But our 25,000 workers and staff are doing their best to reduce costs and increase production so as to shorten the time span," he said.

Baoshan Steel and Iron Complex is the country's most advanced. Its second phase of construction, now under way, is scheduled to be completed in 1991.

FUJIAN'S FOREIGN TRADE VOLUME INCREASES

HK120347 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1409 GMT 11 Sep 86

[Report: "Fujian's Foreign Trade Volume Increases by Over 30 Percent" -- ZHONGGUO XINWEN SHE headline]

[Text] Fuzhou, 11 Sep (ZHONGGUO XINWEN SHE) -- By the end of August, the export volume of Fujian's foreign trade amounted to $329 million, an increase of 34 percent over the same period of last year. The year's plans for export commodities, such as frozen prawns, oranges, and tangerines; canned mushrooms in salt water; dehydrated vegetables; pianzihuang [type of Chinese medicine]; clothes; and silks and satins, have all been overfulfilled.

Fujian's major export products in the past were mainly Oolong tea, lacquerware, Shoushan carved stones, Dehua procelain, Jianning lotus seeds, and plastic sandals. The new products developed in the last few years, including textiles, freshwater eels, canned asparagus, and metallic silicon, have good prospects for further development.

Wang Chengming, general manager of the Fujian General Foreign Trade Corporation, said: This year Fujian has an ample supply of export commodities of stable quality. The province's export volume is very likely to hit a record high.

GUANGDONG URGES RETIREMENT FOR OLDER CADRES

HK150151 Hong Kong WEN WEI PO in Chinese 14 Sep 86 p 3

["Special dispatch" from Guangzhou: "Guangdong Strictly Implements Retirement Regulations; Cadres Must Retire When They Reach Retirement Age"]

[Text] Not long ago, in order to institutionalize cadre retirement, the Guangdong Provincial CPC Committee issued a circular calling on various localities to promptly complete the administrative formalities when aged cadres retire.

The "circular" says: "From now on, it is necessary to promptly complete the retirement formalities in strict accordance with the regulations promulgated by the central authorities, the State Council, and the provincial party committee on the appointment and retirement ages of cadres. Cadres retiring from party and government organs must strictly implement the relevant regulations promulgated by the central and provincial authorities and not retain their posts at enterprises. Cadres who have withdrawn from the first and second lines without resigning their other posts at social organizations, advisory organs, and organs existing in name only must also complete the necessary retirement formalities when they reach retirement age. After retiring, they can accept employment and honorary positions offered by these units. Cadres reaching the retirement age need not personally apply for permission to retire. The units employing them can, with their cadre management powers, file applications to the organs in charge of the appointment and dismissal of cadres for approval and, after that, tell the cadres to go through the necessary formalities.

According to the relevant regulations promulgated by the CPC Central Committee, normally, the ministers and directors of various state and party departments, the first secretaries and secretaries of various provincial, city, and autonomous regional party committees, and the governors of various provinces should not be older than 65 and their deputies should not be older than 60.

As for ordinary cadres, male cadres should retire at 60 and female cadres at 55. Cadres with technological or professional expertise are allowed to retire at an older age.

GUANGDONG'S LIN RUO ATTENDS CIVILIZATION MEETING

HK140549 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 14 Sep 86

[Excerpts] A Guangdong provincial symposium on building civilized units opened in Guangzhou this morning. [passage omitted] Ye Xuanping, deputy secretary of the Guangdong Provincial CPC Committee and governor, presided at the opening ceremony. Xie Fei, deputy secretary of the committee, delivered a report entitled "Seriously Sum Up Experiences and Raise the Building of Spiritual Civilization in Guangdong to a New Level."

In his report, Xie Fei focused on the role of building spiritual civlization as a guarantor and promoter and developing socialist commodity economy. He said: Summing up the province's practical experiences of recent years, we find that the following are the main ones:

1. Actively guide people to change the backward small production concept of self-sufficiency and to establish concepts compatible with developing socialist commodity economy.

2. To meet the demands of developing commodity economy, guide and organize people to acquire knowledge of science and culture, so as to improve the quality of the production and operations of commodity producers and operators.

3. Strive to create an excellent social environment for the smooth development of commodity economy.

4. Continually teach people to spontaneously resist corrosion by decadent capitalist ideology.

Xie Fei also said that ideological and political work must seek the truth, liven up, and be imbued with the spirit of the age.

Responsible comrades of the province including Lin Ruo and Liang Lingguang attended the meeting. Also present were Zhu Houze, director of the Propaganda Department of the CPC Central Committee, who is currently in Guangzhou; and Li Jiangzhen and Ouyang Shan, members of the Central Advisory Commission. [passage omitted]

GUANGZHOU INTRODUCES POLITICAL DEMOCRACY

HK120341 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1532 GMT 10 Sep 86

[Text] Guangzhou, 10 Sep (ZHONGGUO XINWEN SHE) — "We should adopt various means to arouse the political and democratic consciousness of Guangzhou's residents and give them guidance in understanding, discussing, and taking part in political affairs."

This was one of the items discussed at the "Third Symposium on Guangzhou's Cultural Development Strategy" held here today. More than 250 experts, scholars, and practical workers from Guangzhou took part in the 4-day symposium. Zhu Houze, head of the Propaganda Department of the CPC Central Committee and other noted scholars Yu Guangyuan, Huan Xiang, and Yan Jiaqi came from Beijing to attend the symposium.

"Tentative Idea on Guangzhou's Cultural Development Strategy — 1986-2000" was an important document submitted to the symposium for deliberation. The document pointed out that one of the targets of Guangzhou's cultural development strategy is to foster the new spirit of "democracy and fraternity, self-confidence and self-strengthening, and blazing new trials" among the residents and to encourage them to be "efficient, sensible, practical, open-minded, and courteous."

The data provided by the symposium indicate that Guangzhou has recently carried out various democratic political activities, such as "If I were Mayor of Guangzhou" and "Choosing 10 Outstanding Public Servants Through Public Appraisal." According to an investigation conducted among 1,600 Guangzhou residents, 75.9 percent of them favored the idea that "every citizen should take an active part in social political activities."

The document submitted to the symposium for deliberation also pointed out: "It is necessary to lay down local cultural regulations to ensure the development of cultural undertakings and to protect the freedom of speech and creation and just rights and interests of the theoretical and cultural workers.

HUNAN LEADERS WRITE ON LABOR SYSTEM REFORMS

HK120403 Changsha Hunan Provincial Service in Mandarin 2200 GMT 11 Sep 86

[Excerpts] Issue No 9 of LAODONG YU RENSHI [LABOR AND PERSONNEL] magazine published on 10 September, carries articles by provincial party committee Secretary Mao Zhiyong and Governor Xiong Qingquan on the reforms of the labor system.

Mao Zhiyong's article, entitled "Reforming the Labor System Is a Major Affair," says that these reforms touch on the vital interests of the masses; they involve broad areas and have a strong sense of policy. The party committee and government at all levels must attach great importance to these reforms, strengthen leadership, do a good job in preparatory work during July, August, and September as demanded by the CPC Central Committee and State Council, and then launch the work in a planned and measured way.

Mao Zhiyong's article stressed that this work cannot just be regarded as the business of the labor departments and the enterprises. All departments must closely cooperate and all sectors of society should show concern and support, and coordinate their efforts so as to make a success of this work together.

Governor Xiong Qingquan's article, entitled "Seriously Do a Good Job in Reforming the Labor System," says that the reforms of the labor system focused on the employment system will play an important role in strengthening the enterprises' vitality and competitiveness. [passage omitted]

The article says that it is necessary to strictly enforce party and government discipline and guard against certain people taking advantage of loopholes in the labor system reform to indulge in new unhealthy trends.

FOREIGN BANKS CONCERNED OVER SHENZHEN REGULATION

HK120617 Hong Kong HONGKONG STANDARD in English 12 Sep 86 Business Standard p 12

[Text] A tax provision of the Shenzhen Special Economic Zone (SEZ) authority has led to complaints from foreign banks operating in the zone.

And the banks involved intend to discuss the issue with the authority in the near future.

According to banking sources in Shenzhen, criticism started to surface after a written notice from the tax authority of Shenzhen clarifying its definition on the "International Inter-Bank Offered Rate" (IIBOR) for the zone which is a key element in deciding whether such banks will fall into the net of withholding tax under the regulations.

The notice says that the inter-bank offered rate in both Hong Kong and London at 11 o'clock each morning will be used as the standard watershed level.

If banks from overseas and Hong Kong and Macao lend above this rate to the foreign banks in the zone or the SEZ branches of foreign banks charge above this rate for operational loan to their parent bank, the parties involved will be free from the withholding tax.

Foreign banks in the zone fear that such a measure might hamper the flexibility of their fund movement and operation.

XIAMEN ECONOMIC ZONE TO ENJOY DUTY-FREE IMPORTS

OW122008 Beijing XINHUA in English 1509 GMT 12 Sep 86

[Text] Xiamen, September 12 (XINHUA) -- Detailed rules will be issued to let Xiamen Special Economic Zone enjoy duty-free imported goods to encourage production, said an official of the city council today. Approved by China's General Administration of Customs, the rules will come into effect from September 20, the official said.

The rules stipulate that imported machinery, spare parts, raw material, fuel and food ingredients for tourist restaurants will be exempted from import duties, as long as they are used for construction and production in the zone.

But the taxes on automobile, computers, TV sets, tape recorders, refrigerators, washing machines, cameras, and their spare parts, whose imports are limited by the state, cannot be exempted, except for those which are meant for use for production or business or by government organizations and offices.

SICHUAN SECRETARY ATTENDS SEMINAR ON ECONOMY

HK120435 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 11 Sep 86

[Text] At noon on 10 September, Comrade Yang Rudai, secretary of the provincial party committee, attended a scientific seminar or proposals for invigorating Sichuan's economy. The seminar was sponsored by the Xinan Finance and Economy University and attended by more than 1,000 teachers and students of the university and over 200 specialists and professors from this and other provinces.

Yang Rudai and the teachers and students analyzed conditions in Sichuan and the current situation in Sichuan's economic construction. Yang Rudai expressed the hope that teachers and students would be concerned about Sichuan's economic construction and reform and give advice on invigorating Sichuan's economy.

At the forum, the teachers and students submitted a total of 370 treatises and investigation reports on industry, agriculture, finance, banking, township enterprises, and marketing prices. They put forth many practical proposals.

SICHUAN PARTY SECRETARY URGES RESTRUCTURING

HK120445 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 11 Sep 86

[Text] According to SICHUAN RABAO, on 11 September, at an annual meeting on youth publications in the country, provincial party Secretary Yang Rudai stressed that for economic construction we must resolutely carry out economic and political structural reform and strengthen the building of spiritual civilization in a coordinated way so as to promote each other. This is the overall plan for our socialist modernization. All our work, including youth publications, must be carried out with this is mind.

Yang Rudai said that Sichuan is an inland province where the commodity economy is not developed. To develop Sichuan's economy we must, in the final analysis, mobilize the masses to develop commodity economy. Above all, we must overcome the idea of small-scale production, remove other ideological obstacles, establish a series of new ideas suited to the development of commodity economy, and upgrade people's cultural quality and management level.

Li Yuanchao, secretary of the Secretariat of the CYL Central Committee, also delivered a speech at the meeting. Xu Chuan, Standing Committee member and Propaganda Department director of the provincial party committee, attended the meeting.

A total of 140 people attended the meeting, including responsible comrades of the country's 55 youth publications and of the provincial CYL Committee.

BEIJING SECRETARY ATTENDS SERVICE WORK CONFERENCE

SK130847 Beijing BEIJING RIBAO in Chinese 1 Sep 86 p 1

[Excerpts] "Further closely integrate the drive for discussing service work on a large scale with reform, carry out the drive on a larger scale, grasp the work in a forthright manner, and further improve real social effect." This is what Li Ximing, secretary of the municipal party committee, urged to further carry out the drive for discussing service work on a large scale at the municipal conference sponsored by the municipal party committee on the afternoon of 30 August.

Comrades of the municipal Second Commercial Bureau, the municipal General Catering Service Company, the municipal General Public Transportation Company, and Chongwen District respectively introduced their experiences in carrying out the drive to more than 1,200 participants. On behalf of the municipal party committee, Jin Jian, deputy secretary of the municipal party committee, summed up the previous situation in launching the drive, and made a plan for further carrying it out.

In his speech, Jin Jian basically discussed the situation in carrying out the drive over the past 2 months. So far, cadres at all levels, party members, CYL members, heads of work teams, the vast number of staff members and workers, and the masses have engaged in the drive for discussing service work on a large scale. All units throughout the municipality, especially service trades such as commercial trade, public transportation, the tourist trade, hotels, public utilities, and medical and public health units, have firmly grasped the implementation of the guidelines of the municipal service work conference and the launching of the drive for discussing service work on a large scale. Generally speaking, these units have proceeded from reality to make service work serve reform, made corrections in the course of study by separating truth from falsehood, adopted various forms to conduct the drive, firmly grasped typical cases, and promoted the work in all fields by drawing upon experiences gained by selected units. [passage omitted]

Speaking on the issue concerning how to further deeply carry out the drive for discussing service work on a large scale, Jin Jian said: The general requirement for carrying out the drive is for us to grasp education on the one hand and reform on the other, and closely link education with reform so as to carry out the drive more extensively, profoundly, solidly, and effectively.

First, we should furhter upgrade the understanding of the significance of the work of launching the drive. Party committees at all levels should conscientiously strengthen unified leadership over the work. [passage omitted]

Second, we should emphatically pay attention to three tasks in order to carry out the drive more extensively. The first task is that we should concentrate on fostering the thinking that leadership is service, and pay special attention to launching the drive among leading organs at all levels, in particular, the organs under the municipal party committee and the municipal government. The second task is that nonservice trades should organize cadres, staff members, and workers to discuss the issues on how to show concern about and support the work of service trade. The third task is that commercial and service trades should strive to conduct extensive education to enable the vast number of staff members and workers working on the first, second, and third lines to participate in the discussion drive.

Third, we should link the discussion drive with the work in three fields so as to deepen the discussion drive. That is, we should link the drive with reform, management improvement, the implementation of the responsibility system, solution to practical problems, and development of projects for serving the people. [passage omitted]

Attending the conference were leaders of the municipal party committee and the municipal government, including Li Ximing, Jin Jian, Han Boping, Wang Guang, Chen Yuan, and Sun Fuling, Li Ximing presided over and delivered a speech at the meeting.

HEBEI SECRETARY VISITS VILLAGE PRIMARY SCHOOLS

SK130857 Shijiazhuang HEBEI RIBAO in Chinese 3 Sep 86 p 1

[Text] On the morning of 29 August, Xing Chongzhi, secretary of the provincial party committee, called on hard-working teachers at primary schools in Chengguan Township's Chenyanggou Village and Youlougou Townships Dongfangzi Village in Zhangbei County. He came to understand the educational work situation in remote and border areas since the educational system reform, and solicited opinions and requirements from the teachers.

Together with Zhang Deying, secretary of the Zhangjiakou prefectural party committee, Comrade Xing Chongzhi first visited the Chengyanggou Village primary school.. After hearing the report on the basic situation of the school made by Schoolmaster Liu Ming, they carefully inspected classrooms, teachers' offices, and their dormitories. At the teachers' dormitories, Comrade Xing Chongzhi asked: "Have you prepared heating materials for teachers as winter comes so soon?" The schoolmaster answered: "All has been arranged." Comrade Xing Chongzhi repeatedly said: "Good, good." At the classroom, Comrade Xing Chongzhi asked Liu Chunzhi, a pupil in the fourth grade, about her study results. Liu Chunzhi answered: "All courses are marked above 80." Comrade Xing Chongzhi, patting the pupil's shoulder, said: "Good, you should study hard to be a good success in the future."

After that, Comrade Xing Chongzhi visited the Dongfangzi Village primary school. The tidy campus and the broad and bright classrooms have left a harmonious and comfortable impression on the people. The party branch of this village has paid more attention to education, has entuusiastically made efforts to improve teaching conditions, and has performed a great deal of concrete deeds for schools and teachers. In 1984 and 1985, the village invested 30,000 yuan in building new classrooms and buying new desks and chairs. The village has ranked first in the township in terms of its teaching quality. After hearing a report delivered by Schoolmaster Li Jun, Xing Chongzhi spoke highly of the work of the party branch and the school. Comrade Xing Chongzhi solicited opinions from the teachers. They said: Teaching conditions have been improved and the teachers' position has been upgraded at present. Only when we improve our teaching work can we be worthy of your concern.

NEI MONGGOL RESIDENTS LIKE ECONOMIC REFORM

OW121154 Beijing XINHUA in English 0611 GMT 12 Sep 86

[Text] Hohhot, September 12 (XINHUA) — Most residents of Inner Mongolia's capital city, Hohhot, say they are pleased with China's ongoing economic reform, according to a recent survey.

And 91 percent said the reform period — since 1979 — has been the country's "best" since the 1949 liberation, an official of Inner Mongolia's statistics bureau said today.

More than 65 percent said efforts to reform the country's wage system — from one based on roughly equal pay for the same job to pay differentials based on output -- are "rational" and have "mobilized the initiative of the people."

But 16 percent said the system is "still eqalitarian" and that reform had "not yet aroused popular enthusiasm." More than 14 percent called the reform "irrational" and said it has "disappointed people" where it has been tried.

The official said the survey results "will be used by the local government in formulating policy."

He said 4,830 had responded on an anonymous basis to the bureau's 11,000 questionnaries, distributed to government departments, work units, schools and organizations of the self-employed.

The survey also showed that although people say they are in favor of the reform, they are critical of at least some of its key provisions.

For example, on the issue of price reform, more than half of those responding said "prices should be more strictly controlled," even though gradual relaxation of price controls has been a major element of the reform program.

Asked what they cared about most in their lives, almost half said "making a significant contribution at work." One-fifth said they wanted to make more money and 13 percent said they wanted a happy family life.

Responding to the question "What are the things you have the strongest aversion to," most people listed favoritism in appointing cadres. A teacher wrote on the questionaire that "favoritism results in very serious economic and political losses although consequences may not be seen on the surface."

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UN HIGH COMMISSIONER FOR REFUGEES VISITS PRC

Meets Zhao Ziyang

OW111424 Beijing XINHUA in English 1405 GMT 11 Sep 86

[Text] Beijing, September 11 (XINHUA) -- Chinese Premier Zhao Ziyang today called for finding a lasting solution to the refugee problem. During a meeting with Jean-Pierre Hocke, United Nations high commissioner for refugees, Zhao said that essential to such a solution is to eliminate the political aspect of the root cause for the refugee, problem. Zhao said the refugee problem is a long-term one and cannot be solved within a short period.

That problem has existed in Indo- China, Afghanistan, the Middle-East and southern Africa for many years, he said, adding that their numbers there are increasing instead of decreasing. He said quite a number of refugee problems have resulted from political problems, as in the case of the above-mentioned places.

Zhao noted that unless the political roots are eliminated the refugee problem cannot be solved. He said he hoped that the U.N. High Commissioner's Office for Refugees will, on the one hand, mobilize international community to support the resettlement of refugees and, on the other, mobilize them to exert pressure on those countries that have created the above-mentioned refugees.

He also said he hoped the high commissioner's office will do its best to call on international community to support Thailand, Pakistan and countries in the Middle East and Africa that have received a large number of refugees so as to reduce economic difficulties of these countries caused by refugee problem.

Zhao expressed satisfaction with the cooperation between China and the high commissioner's office and his appreciation of its resettlement work.

He said China attaches importance to maintaining and expanding its ties with the commissioner's office and supports its efforts for seeking a lasting solution to refugee problem.

Hocke said he appreciated the Chinese Government's endeavor of trying its best to raise funds and resettle refugees on its own initiative.

He described as "unique" the cooperation between his office and China over the last few years, adding that he hoped the two sides will try their best to seek a fundamental solution to refugee problem.

Hocke is here on a four-day visit to China at the invitation of the Chinese Foreign Ministry.

Holds Press Conference

OW121002 Beijing XINHUA in English 0934 GMT 12 Sep 86

[Text] Beijing, September 12 (XINHUA) -- Visiting United Nations High Commissioner for Refugees [UNHCR] Jean-Pierre Hocke today spoke highly of China's efforts to settle large numbers of refugees at a press conference here today.

Hocke said since 1978 China has acted as host to over 280,000 Indochinese refugees who are, for the most part, settled in 196 state farms and municipalities in five of China's southern provinces. The size of the Indochinese refugee population settled here makes China the second largest resettlement country for Indochinese refugees in the world, he said.

Hocke said that the great majority of the refugees have settled down well in China and have eagerly seized the opportunity to build new lives, adding that they are now engaged in production of forestry, agriculture, fisheries and local industry. To date, he said, the Chinese Government has spent approximately 600 million U.S. dollars in financial assistance and the World Food Programme 42.9 million U.S. dollars from its own resources on the local settlement programme, while UNHCR has provided 55 million U.S. dollars in food aid.

Hocke said UNHCR agreed last year to provide a further 12 million U.S. dollars for assistance to refugees in China over the three year period 1986-1988. The primary emphasis of this assistance is on the achievement of self-sufficiency through education and vocational training. He also praised China for its financial and moral support in dealing with refugee problems in other parts of the world.

WU XUEQIAN LEAVES BEIJING FOR UN SESSION

Departs 15 Sep

OW151120 Beijing XINHUA in English 1053 GMT 15 Sep 86

[Text] Beijing, September 15 (XINHUA) -- Wu Xueqian, state councillor and foreign minister, left here today for New York as the head of a Chinese delegation to attend the 41st session of the United Nations General Assembly and its special session on the question of Namibia.

Meets UN Under Secretary

OW131136 Beijing XINHUA in English 1131 GMT 13 Sep 86

[Text] Beijing, September 13 (XINHUA) -- Chinese State Councillor and Foreign Minister Wy Xueqian met here today Jan Martenson, under secretary general for disarmament affairs of the United Nations.

Martenson has talked with the Chinese Foreign Ministry on holding a meeting of the UN world disarmament campaign in China next year.

XINHUA 'ANALYSIS' OF HEAVY UN ASSEMBLY AGENDA

OW131537 Beijing XINHUA in English 1343 GMT 13 Sep 86

["News Analysis: Heavy Agenda Awaits U.N. General Assembly -- (by Xu Linxing)" -- XINHUA headline]

[Text] United Nations, September 12 (XINHUA) -- The United Nations General Assembly will hold a special four-day session on Namibia after the opening of its 41st session.

The special session is designed not only to save U.N. expenditures, but also to show the body's concern at the repeated delay of the settlement of the Namibian question. Other issues high on the agenda of the session, starting September 16, are South Africa, Kampuchea, Afghanistan, the Middle East, Central America, world disarmament, international economic cooperation and the U.N. financial crisis.

It is expected that many countries will express opposition to the continued illegal occupation of Namibia by South Africa and to its insistence on the withdrawal of Cuban forces from Angola as a precondition to Namibian independence.

Demand for strengthening economic sanctions against South Africa and the complete destruction of the apartheid system will be stronger than ever at the U.N. forum this year in the light of the killings of 200 people and the arrests of more than 2,000 by Pretoria in the past three months under the state of emergency.

The Kampuchean resistance forces have gained considerable international sympathy for their eight-year-long struggle. The eight-point proposal for a political settlement of the Kampuchean question proposed by the Coalition Government of Democratic Kampuchea in March, this year, is expected to win support from many U.N. members, while Vietnam's refusal to implement U.N. resolutions calling for the withdrawal of its troops from Kampuchea will draw more condemnation.

Under tenacious resistance from Afghan guerrillas and strong international pressure, the Soviet Union has proposed a symbolic withdrawal of six regiments from that country. The 41st U.N. session is expected to urge the Soviet Union, which has occupied Afghanistan since 1979, to completely withdraw its troops and put an immediate end to its armed intervention in the country.

Israel's aggressive policy in the Middle East will draw the ire of many U.N. countries. Unfortunately, the Arab countries and the Palestine Liberation Organization themselves differ over tactics, making their struggle very difficult. Representatives from most countries will reiterate their support for the struggle of the Arab and Palestinian people at the forthcoming session.

The session is not expected to reach any agreement on the Central American propblems since the Contadora Group's peace effots have stalled. Nevertheless, the recent U.S. decision to provide 100 million U.S. dollars in aid to the Nicaraguan rebels in an effort to overthrow its legal government will undoubtedly be opposed by a majority of the U.N. members.

In the area of disarmament, there is still a yawning gap between the Soviet Union and the United States, despite some recent overtures by the former. Each country's basic objective, however, remains to attain military superiority over the other. The dissatisfaction of the Third World countries at the two superpowers' lack of sincerity in disarmament will be reflected at the session.

In the sphere of international economy, the developed countries, particularly the United States, taking advantage of temporary successes in their economies are likely to refuse to negotiate seriously with the developing countries on major world economic problems and to make necessary concessions. Indeed, they are urging the developing countries to adjust their economic policies to sustain the present world economic order.

It is expected that the Third World countries, including China, will stress the necessity for the developing countries to adjust their economy according to their own national conditions. They will argue that the international community has the responsibility to create a favorable environment for the economic adjustment. They will also point out that the rising economic gap between the North and South is unfavorable not only to the development of the world economy, but also to the maintenance of world peace.

The financial crisis of the United Nations will also be a major issue before the session. Owing to the delay or refusal by some member states to pay up their membership dues, U.N. officials said, the financial crisis is so severe that it challenged "the solvency and viability" of the world organization.

The session will not only urge all member states to promptly and completely meet their financial obligations, but will also consider belt-tightening suggestions by a high-level intergovernmental expert group, including cutting of meetings, documents, employees and departments to reduce expenditures. The unilateral U.S. decision to reduce its share and the U.S. proposal for "weighted voting" for gaining control of the international organization will undoubtedly be opposed by a majority of the U.N. members.

PRC, U.S. PLEDGE AID TO CAMBODIAN REFUGEES

OW120852 Beijing XINHUA in English 0655 GMT 12 Sep 86

[Text] United Nations, September 11 (XINHUA) -- Seven countries including China, Indonesia, Malaysia and the United States pledged to provide nearly two million U.S. dollars for assistance to the Kampuchean refugees at a U.N. meeting of Kampuchean humanitarian relief donors held here today.

Ambassador Liang Yufan, deputy permanent representative of China to the United Nations, said at the meeting that the Chinese Government had decided to pledge a sum of 50,000 U.S. dollars to the United Nations Border Relief Operation (UNBRO) to be used for assistance to the Kampuchean refugees inside Thailand.

The refugee problem created by Vietnam's policy of aggression and expansion, he continued, had brought "heavy burdens" to Thailand. "Only when Vietnam gives up its policy of regional hegemonism and withdraws its troops from Kampuchea and a political settlement is achieved for the Kampuchean question, can there be a complete solution of the problem of Kampuchean refugees," he added.

Laxanachantorn Laohaphan, representative from Thailand, thanked the donor countries for their concern and support. She said that her government regretted the outright rejection by the Vietnamese authorities of the eight-point proposal for a peaceful solution of the Kampuchean issue put forth by the Coalition Government of Democratic Kampuchea on March 17th of this year. She noted that the problem of the Kampuchean refugees remains serious, with a quarter of a million refugees needing assistance.

DELEGATION ARRIVES IN URUGUAY FOR GATT MEETING

OW140940 Beijing XINHUA in English 0649 GMT 14 Sep 86

[Text] Punta Del Este, Uruguay, September 13 (XINHUA) -- A Chinese delegation arrived here this evening to attend the ministerial meeting of the General Agreement on Tariffs and Trade (GATT).

The eight-member delegation is led by Shen Jueren, assistant minister of foreign economic relations and trade of China. Shen told XINHUA on arrival that the GATT ministerial meeting in Punta Del Este, Uruguay, is important for improving world trade. "China will take an active part in it and we hope that the conference will come to a successful conclusion." The meeting is scheduled to open next Monday and will launch a new round of multilateral trade negotiations. GATT's 92 member states are expected to take part in the negotiations.

China, one of the founders of GATT, has applied to GATT for the restoration of its contracting party status in the organization, which gave a positive response last July. China has been attending GATT meetings as observer since 1982.

XINHUA COMMENTS ON NEW ROUND OF GATT TALKS

OW130622 Beijing XINHUA in English 0555 GMT 13 Sep 86

["A Long Road Ahead: GATT Begins its Eighth Round of World Trade Talks by Yang Yuanhua" -- XINHUA headline]

[Text] Beijing, September 13 (XINHUA) -- Trade ministers or representatives from 92 member countries of the General Agreement on Tariffs and Trade (GATT) will converge on Punta Del Este, Uruguay next Monday to discuss world trade and launch a new round of multilateral trade negotiations.

This new round of world trade talks is an important event in international economics and trade that not only concerns South-North relations and North-North relations, but also will have far-reaching effects on the future of the world trading system. As a result, the world's eyes are trained on Punta Del Este. GATT's objective is to promote living standards and world economic growth through an orderly expansion and liberalization of trade, with emphasis on dismantling tariffs or customs duties. There have been seven rounds of GATT negotiations since the GATT was put into effect in 1948, the last two being the 1963-1967 "Kennedy Round" and the 1973-1979 "Tokyo Round". The Kennedy Round reduced average industrial tariffs by 35 percent while the Tokyo Round extended trade liberalization to sectors like export subsidization and government procurement policies, and further reduced tariffs by 23-35 percent.

The forthcoming eighth round will be the biggest since 1948. Some 30 subjects have already been identified as possible agenda items, including implementation of a policy forbidding new trade barriers and the removing of existing ones, special treatment for developing countries, agricultural trade and tropical products. Among the most pressing issues is the rising tide of protectionism. The GATT ministerial meeting will also examine the establishment of equitable rules to govern areas of international trade not presently covered under the GATT, such as the service industries of banking, insurance and shipping. With the disparity in the levels of economic development and differences between trade patterns, individual GATT member nations will be seeking widely differing goals in the multilateral trade negotiations.

Following seven months of discussion, the preparatory committee established at the GATT session last November to lay the groundwork for eighth round ended negotiations July 31 on the Punta Del Este agenda without having agreed on any recommendations or a single document setting out the terms of the negotiation. The fractious nature of the preparatory committee ran against GATT's traditionally preferred way of doing business through consensus. Instead of the usual single document, three have been forwarded to the ministers in Punta Del Este.

Developing countries are demanding that the new round focus on reversing the protectionist trend and ensuring that the existing rules are respected by all countries. Faced with sinking trade due to rising protectionism and subsidization policies of the developed nations, the Third World is insisting that the eighth round improve its terms of trade.

The value of world trade increased by 1 percent in 1985 with exports amounting to 1.8 trillion U.S. dollars and imports 1.9 trillion dollars, lower than in the peak years of 1980 and 1981, the International Monetary Fund said in July. This slight increase in overall world trade masks the worsening trade situation among the developing countries.

The big increase was in trade of the United States and 19 other industrialized nations, which boosted their imports by 52 billion dollars, almost to the 1980 peak, and their expors by 43 billion dollars to a new record, the IMF said.

At the same time, 103 developing countries watched their exports drop by 5.5 percent and imports take a 6-5 percent dive. The developing countries, facing grim prospects due to low commodity prices, mounting debt and restricted access to Western markets, are urging industrialized nations to display the will to liberalize the trade system that has led to restrictive and discriminatory treatment of the developing countries.

Ten developing countries, led by India and Colombia, offered a draft document at the preparatory meeting calling for the new round to discuss only trade in goods, and not to touch the service trade for fear that their own fledgling service sectors would be swallowed by the big Western multinational corporations. But industrialized countries, led by the U.S., insisted that the trade in services be part of the new round.

After intense negotiation, 48 member countries including the United States agreed to a Swiss-Colombian draft that contains concessions to the Third World. Among these are references to special treatment for the products of Third World countries and elimination of trade barriers by industrialized countries. The draft puts service trade and other controversial issues in brackets, i.e., they will be left to the GATT ministerial meeting to solve. Argentina put forward a third document in a move to bridge the gap between the developed and developing nations.

Agricultural trade is expected to be another critical issue at the ministerial meeting. Fourteen agricultural countries led by Australia and Argentina accused the U.S. and the European Community of breaking GATT rules by subsidizing farm sales, and wanted the issue of farm subsidies to be added to the agenda. The EC rejected agricultural concessions on the ground that elimination of farm subsidies could jeopardize the community's common agricultural policy.

It still remains unclear whether the new round of multilateral trade negotiations will succeed in heading off protecitonism and broadening markets. Difficulties are apparent for a 92-nation group to reach unanimity on these critical issues though most of them do not like to see the world trading system collapse. If genuine improvements are not made, there is great risk that the world trading system will erode further. Faced with such a complex task, the multilateral trade negotiations will most probably be a drawn-out process.

DENG XIAOPING ON DOMESTIC POLICY IN CBS INTERVIEW

OW141105 Beijing XINHUA Domestic Service in Chinese 0646 GMT 14 Sep 86

[Text] Beijing, 14 Sep (XINHUA) -- Deng Xiaoping, chairman of the Central Advisory Commission of the CPC, talked about the domestic situation in China in a TV interview with Mike Wallace, correspondent of the CBS News of the United States on 2 September. The following are the main points of this portion of the talk.

Wallace: China said that it needs investments from the West to develop its modernization program and economy. However, Western investors now complain about difficulties in doing business with China. There are some problems such as excessively high rents, endless bickering over contracts, too many taxes, high labor costs, corruption, and bribery. There is also bureaucracy. Do you know about these things?

Deng: I understand. These phenomena do occur. This is a new situation for us, and some mistakes are unavoidable. We are working to change the present state of affairs. I do understand the complaints of foreign investors. Who would come here and invest without getting returns on his investment? No one would do that. We are taking effective measures to solve these problems. However, we can only gradually solve these problems. Our Premier Zhao shared his thoughts with some foreign businessmen in their discussions not long ago. It was understood that foreign investors were interested in this area. I believe that the problems pointed out by foreign businessmen can be gradually solved. However, when these problems are resolved, new problems will arise and they, too, should be solved. As leaders, it is necessary for us to get a clear picture of the problems and adopt effecive measures to solve them. There is also the question of educating cadres.

Wallace: At present the leadership in China puts forward the slogan that it is glorious to become rich. Many people in capitalist countries are surprised by this slogan. What is the relationship between this slogan and communism?

Deng: We have gone through the "Cultural Revolution." With regard to communism, there was the view during the "Cultural Revolution" that poor communism is preferable to rich capitalism. After I resumed office in the central leadership in 1974 and 1975, I criticized that view. It was because of my criticism of this view that I was once again ousted. Naturally, there were also other reasons. At that time, I mainly told them that there was no poor communism. According to the Marxist point of view, the material wealth in a communist society is enormous, because only by attaining enormous material wealth is it possible for us to adhere to the principle of communist society: From each according to his ability, to each according to his needs. Socialism is the first stage of communism. Naturally, socialism will take up an extremely long time in history. The main task in the socialist stage is to create material conditions for the advent of a communist society. So the main task of socialism is to develop productive forces, to steadily improve the life of the people, and to keep increasing the material wealth of society. Therefore, there can be no communism with pauperism or socialism with pauperism. To "get rich" is no sin. However, what we mean by getting rich is different from what you mean. Wealth in a socialist society belongs to the whole people. To get rich in a socialist society means prosperity for the entire people. The principles of socialism are: First, development of production, and second, common prosperity. Our policy permits some people and some localities to become prosperous first so as to achieve common prosperity at a faster speed.

As the latter principle calls for eventual achievement of common prosperity, it will not lead to polarization, with the rich getting richer and richer and the poor becoming poorer and poorer. To be frank, our policy will not give rise to the emergence of a new bourgeoisie. Under our socialist system, it is very difficult for people to become millionaires.

Wallace: In the Zhujiang Delta in Guangdong Province, I have seen that peasants are now leading a good life. They have motorcycles, color televisions, and new houses they have built themselves. You have adopted measures to encourage them to get rich. They deliver part of their income to the state and keep the rest for themselves. This system does not differ much from ours; our people keep the rest of the income for themselves after paying their respective taxes.

Deng: How rich are they when compared with you Americans? Even the much-praised rural families that have raised their annual incomes to 10,000 yuan make only $2,000 to $3,000 per year. Can they be considered rich? We may be considered rich, but when compared with the national income of developed countries, our income is still very low.

Wallace: Chairman Deng, you have just talked about the "Great Cultural Revolution." What happened to you and your family during that time?

Deng: It seemed to be a bad thing, but in the final analysis, it was also a good thing, because it made people think and know where our defects were. Chairman Mao often used to say that bad things could be transformed into good things. We were good at summing up the experience of the "Great Cultural Revolution" and setting forth some reform measures to transform our appearance politically and economically. Thus bad things were transformed into good things. The reason why at the end of the 1970's and in the 1980's we were able to set forth the current series of policies was that we had summed up the experience and lessons of the "Great Cultural Revolution."

Wallace: Until now I have never seen your pictures hung in any public places in China. Why?

Deng: We do not advocate such practice. An individual is a member of a collective. Nothing can be accomplished by an individual in isolation from others. Therefore, as far as I am concerned, I have rejected offers to write my biography. Over the years, I have done quite a few good things, but I have done some wrong things too. Before the "Great Cultural Revolution," we committed such mistakes as the "great leap forward." Of course, I was not the chief architect, but I did not oppose it either. That means that I had a share in that mistake. If a biography is written, both good and bad things one has done, including one's mistakes, should be included. So it's better not to write one.

Wallace: Everyone would like to ask this question: Deng Xiaoping has done well in the past few years, and China's modernization has been going well too; China's economy has developed and the people have fewer worries, but what will the situation be after Deng? Will it turn back?

Deng: For sure, there will be no turning back. When one tries to find out whether the existing policy is here to stay, he should first examine whether the policy is correct, whether the policy is right for the country and the people, and whether the life of the people is gradually improving under the policy. I believe that the people have discerning eyes. If the present policy is altered, the standard of living of the people will definitely go down.

So long as the people think the existing policy is correct, whoever wants to change it will be brought down.

Wallace: Ten years have passed since Mao Zedong died. What would he think about some of the things that are happening in China right now? The present leaders believe that it is glorious to become rich and advocate individual well-being. They permit individuals to run enterprises and are preparing for political reform. The people are enjoying freedom of speech. All this is different from what Mao Zedong stood for. What would Mao Zedong think of it?

Deng: There are differences. However, there are similarities as far as certain principles are concerned. At present, Mao Zedong Thought is still our guiding ideology. We have adopted the "Resolution on Certain Questions in the History of Our Party Since the Founding of the People's Republic of China" which provides answers to these questions.

Wallace: However, I am still not so clear in my mind. China under the leadership of Deng Xiaoping is different from China under the leadership of Mao Zedong. It seems that China is undergoing a new revolution. At least, it is trying to make a new revolution.

Deng: You are right. What we are doing now is in essence a revolution. In another sense, we are engaged in an experiment. For us, it is something new, and we have to grope around to find our way. Errors are bound to occur as this is a revolution and is completely new. Our method is to sum up experience from time to time and correct mistakes whenever they are discovered, so that small mistakes will not grow into big ones.

Wallace: Here is the last question. You are China's No 1 leader. How long do you expect to stay on your job as the nation's principal leader and adviser?

Deng: I am for the abolition of life tenure and the institution of a retirement system. As you also know, when I talked with Fallaci (an Italian reporter), I said it would be all right if I could work until 1985. Now, I have already worked 1 year past 1985. At present, I am thinking about when I should retire. Personally, I would like to retire early. However, it is very hard to persuade the party's rank and file and the people to accept all this. I believe that if I retire when I am still around, it would be good for the continuation of the existing policy. This also conforms with the conviction I have always cherished. In this regard, I still have to do a great deal of persuasion. In the end, as I am a member of the Communist Party, I must obey the decision of the party. I am a citizen of the People's Republic of China, so I must obey the will of the people. I still hope that I will be able to persuade the people to let me retire.

Wallace: You told Fallaci before that you were ready to retire in 1985. What would you like to tell Wallace?

Deng: To be quite frank, I am persuading our people to let me retire at the party's 13th National Congress next year, but so far, what I have heard are dissenting voices all around me.

PRC WORRIES ABOUT U.S. RESTRICTIONS, TRADE

HK150655 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0923 GMT 14 Sep 86

[Report by Yang Zhifeng: "Sino-U.S. Trade Must Be Expanded Without Delay"]

[Text] Beijing, 14 Sep (ZHONGGUO XINWEN SHE) -- Before the mid-term Congress elections in the United states, the Chinese people are worried about the prospects of trade between the two countries.

Han Xu, Chinese ambassador to the United States, delivered a letter to the U.S. Congress, saying that if the United States tightens its restrictions on imports of Chinese goods, China will reduce imports from the United States for lack of foreign exchange.

Because the U.S. trade deficit continued to increase this year, protectionism may become a main factor affecting the results of the Congress mid-term election. Mr Han Xu obviously wanted to remind the United States that protectionism will be harmful.

Last year, the trade volume between China and the United States was $8 billion, which merely accounted for 0.13 percent of the United States' total foreign trade. The figure in the first half of this year was $4.172 billion, or 15 percent higher than that in the same period of last year.

However, this growth was far from enough for many American entrepreneurs. In May of this year, U.S. Secretary of the Treasury James Baker visited beijing and Chinese Vice Premier Yao Yilin visited the United States. In early June, more than 70 American entrepreneurs and more than 200 Chinese entrepreneurs held talks on Sino-U.S. trade in Beijing. All these activities served the same purpose, that is, to rapidly expand Sino-U.S. trade.

Some American businessmen said that to enter the Chinese markets, they are trying "to solve by all possible means" problems which cannot be solved for a long time, but no marked results have been achieved in this regard. China was $1.77 billion, or merely 7 percent greater than that in the same period of last year.

In fact, the Americans themselves have held back the advance of their business with China. The United States always tries to tighten restrictions on the import of Chinese textiles. The U.S. Department of Commerce announced in early July that it judges that the welding-seamed carbon steel tubes and candles are sold at "prices lower than fair prices" to the United States.

These actions ave directly affected the entry of Chinese goods into the American market. As a result, it is hard for China to increase imports from the United States. China is a newcomer on the American market, and she only holds a very small share of the market. However, she is subject to the same restrictions as South Korea, Taiwan, Hong Kong, and other regions and countries in the Asia-Pacific region. This is not fair.

Undoubtedly, rapid expansion of Sino-American trade is in the interests of both sides. However, if the Americans want to enter the Chinese market but at the same time try to close their own markets to China, we are afraid that there will not be satisfactory results for either side.

HUANG HUA MEETS VISITING U.S. LEGISLATORS

OW131248 Beijing XINHUA in English 1224 GMT 13 Sep 86

[Text] Beijing, September 13 (XINHUA) -- Huang Hua, vice-chairman of China's National People's Congress Standing Committee, met here today Stan Turley and James J. Sossaman, Senate speaker and House speaker of the State Legislature of Arizona of the United States.

The two speakers arrived here Thursday at the invitation of the Chinese People's Institute of Foreign Affairs.

HUANG ZHEN FETES U.S. AMITY DELEGATION 13 SEP

OW131638 Beijing XINHUA in English 1513 GMT 13 Sep 86

[Text] Beijing, September 13 (XINHUA) -- Member of the Standing Committee of the Central Advisory Commission and President of the China-U.S. People's Friendship Association Huang Zhen met and feted a delegation of local leaders of the U.S.-China People's Friendship Association here this evening. The delegation was led by Elise Jourdan.

SACKLER FOUNDATION DELEGATION VISITS BEIJING

Meets Hu Yaobang

OW120748 Beijing XINHUA in English 0711 GMT 12 Sep 86

[Text] Beijing, September 12 (XINHUA) -- Hu Yaobang, general secretary of the Chinese Communist Party Central Committee, met here today a delegation from the Sackler Foundation of the United States led by Dr. Arthur Sackler. Hu praised Sakcler for his efforts to cooperate with China in the fields of medical care, culture and education.

Zhang Jingfu, state councillor and chairman of the China Association for International Exchange of Personnel (CAIEP), was present on the occasion. The U.S. visitors came here as guests of the CAIEP.

Meets Zhang Jingfu

OW111426 Beijing XINHUA in English 1413 GMT 11 Sep 86

[Text] Beijing, September 11 (XINHUA) -- Zhang Jingfu, Chinese state councillor and president of the China Association for International Exchange of Personnel, met Arthur Sackler, founder of the United States Sackler Foundation, and his wife Mrs. Gillian Sackler, current president of the foundation, here today,.

After the meeting, Tang Aoqing, vice-president of the China Association, and Mrs. Sackler signed a letter of intent between the AMS Foundation for the Arts, Sciences and Humanities of the United States and the China Association for International Exchange of Personnel.

The letter says the two sides will conduct technological exchange in pharmacology, development of new medicines, medical and health work and biotechnology and cooperate in training personnel and running joint ventures of medicines.

XINHUA ANALYZES MURPHY'S MIDEAST TOUR, GOALS

OW120543 Beijing XINHUA in English 1822 GMT 11 Sep 86

["News Analysis: Murphy's Shuttle — Tortuous Way to U.S. Mid-East Goal by Chen Ruining" — XINHUA headline]

[Text] Cairo, September 11 (XINHUA) — U.S. Assistant State Secretary Richard Murphy left here for home today after shuttling between five mid-east countries — Israel, Jordan, Egypt, Syria and Saudi Arabia — in 10 days.

He might be satisfied that this time he has not returned home empty-handed as an Egyptian-Israeli agreement on referring their border dispute over Tabah to international arbitration has been signed. As a result, Egyptian President Husni Mubarak and Israeli Prime Minister finally met in Alexandria today soon after his departure for home. However, there remains a long tortuous way to go before the U.S. can reach its goal in the Middle East — a settlement through direct dialogue between Israel and confronting Arab countries at the sacrifice of the Palestine people's right to self-determination.

The U.S. Administration is insisting on solving the Mid-east issue through Israeli-Arab direct talks without the participation of the Palestine Liberation Organization (PLO). When Murphy arrived in Israel on September 1 on the first leg of his shuttle visit, he was reportedly trying to get a summit of Israel, Egypt, and Jordan as a first step to reach the goal. But he failed. In his talks with Jordanian King Husayn in Amman, Murphy was told that the only way to achieve a just durable Mideast peace is to convene an international conference with all parties concerned, including the PLO, under the auspices of the U.N. Security Council.

A Jordanian Government statement issued in late August declared explicitly three "red lines" beyond which Jordan will never go in a Mideast settlement. They are: "Jordan will never conduct separate talks with Israel under any circumstances, never waver in its rith to Jerusalem occupied in the 1967 war and never give up an inch of land occupied by Israel."

Although the Egypt-Israel summit talks have started, there is a world of differences between the two countries to be solved before their bilateral relations are normalised. First of all, Egypt wants to have the Palestine issue settled in a justified way which Israel has been rejecting. Both Egypt and Jordan have repeatedly affirmed that the PLO is the sole legitimate representative of the Palestinian people. But Israel firmly refused to have any talks with the PLO.

Again in Syria, President Hafiz al-Asad told Murphy that an international meeting under the auspices of U.N. Security Council is the only way to a Mideast peace solution. It is not know whether King Fahd told him the same position regarding the Mideast issue.

Diplomatic sources here observed what Washington can do toward its goal would be very much limited because Peres is scheduled to hand over his premiership to the hardline Likud group of Israel next month. In addition, controversies between different parts concerned and rivalry between superpowers in this region have still blocked the way to a peaceful settlement.

PETROVSKIY SAYS WU, SHEVARDNADZE TO MEET AT UN

OW151212 Beijing in Russian to the USSR 1800 GMT 12 Sep 86

[Text] Petrovskiy, USSR deputy foreign affairs minister, said at his press conference in Moscow on 11 September that the Soviet Union is going to the 41st UN General Assembly session with a comprehensive program of practical actions for removing the nuclear danger, stopping the arms race, consolidating universal peace, and increasing the scale of the peace offensive. The current UN General Assembly session is scheduled to open on 16 September.

Petrovskiy said that the Soviet Union and other socialist countries have already submitted for study by the coming UN General Assembly session a proposal for decisively doing away with the policies of confrontation and the arms race and for pooling the efforts of all the states to create a system of peace which would reliably guarantee equal conditions of security for all in all the spheres of international relations.

Petrovskiy also said that Shevardnadze, Soviet foreign affairs minister, and Wu Xueqian, Chinese foreign affairs minister, plan to meet in New York at the end of September during the work of the UN General Assembly session. He said that the Soviet Union will exert efforts for making Soviet-Chinese relations become an important factor in regional and international political life.

REPORTAGE ON USSR'S TALYZIN VISIT TO PRC

Admires Guangzhou Vitality

HK140522 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1439 GMT 13 Sep 86

[Text] Guangzhou, 13 Sep (ZHONGGUO XINWEN SHE) -- During a visit to Guangzhou's Baiyun agriculture-industry-commerce complex this morning, Talyzin, first deputy chairman of the USSR Council of Ministers, asked his hosts many questions. "How did the momentous change take place in recent years? Why are the enterprises so invigorated? How come the people are so energetic?"

Lin Xianghou, manager of the Baiyun agriculture-industry-commerce complex, explained to the guest: Since 1980, the company has vigorously implemented the contract system, smashed the big public pot, and developed a commodity economy. Last year, the company's total income was 350 million yuan, with a profit of 30 million yuan, which benefitted the state, collective, and individuals.

After Lin's explanation, Talyzin proposed visiting some factories under the complex. With keen interest, Talyzin asked his hosts about the lifting of market restrictions, the marketing and sales of products, prices, targets, and other questions. After his visit, Talyzin patted Lin on the shoulder and said: "You are a good manager."

Talyzin and his party arrived in Guangzhou yesterday by special plane from Wuhan. At the welcoming party given by Guangdong Vice Governor Yang Deyuan yesterday evening, Talyzin said: During my current visit to China, I have personally witnessed the remarkable changes that have taken place in China. Guangzhou is full of vitality, and modern buildings can be seen everywhere. We are very glad to see that all trades and professions are developing rapidly.

Talyzin continued that the Soviet Union profoundly esteems Dr Sun Yat-sen, the founder of Soviet-Chinese friendship. The Soviet Union will hold activities to commemorate the 120th anniversary of the birth of Dr Sun Yat-sen.

This morning, the Soviet guests also paid a visit to the Guangzhou uprising martyrs' mausoleum and laid wreaths at the foot of the Sino-Soviet People's Xueyi Monument.

Departs 15 Sep

HK150827 Hong Kong AFP in English 0816 GMT 15 Sep 86

[By Pierre-Antoine Donnet]

[Text] Beijing, Sept 15 (AFP) -- Soviet First Deputy Premier Nikolay Talyzin left here Monday after a week-long visit which sources close to his delegation said could lead to the Soviet Union modernising about 100 Chinese enterprises.

Mr Talyzin, the highest-ranking Soviet official to visit China in 17 years, held talks with several senior Chinese officials during his stay here, including Premier Zhao Ziyang.

A Soviet diplomatic source said Mr. Talyzin gave Mr Zhao a message from his soviet counterpart, Nikolay Ryzhkov. The contents of the message were not divulged.

The sources close to the Soviet delegation described the visit as "an encouraging step towards a better atmosphere in Sino-Soviet relations."

The visit allowed for the final touches to be put to a program which calls for the modernising of 17 Chinese plants built with Soviet aid during the 1950's, the sources said. The program would involve the sending of Soviet experts -- totalling more than 100 -- to China for the first time in 26 years, they added.

The number two in the Soviet delegation, Konstantin Katushev, chairman of the State of Commission for Foreign Economic Relations, held talks with Chinese officials on the modernizing of several dozen other Chinese enterprises, the sources said.

As many as 100 Chinese enterprises across the country could be modernised with the help of Soviet technology and experts, they added. A total of 257 Chinese enterprises and industrial complexes were built up with Soviet aid during the 1950's just prior to the abrupt departure of all Soviet experts from the country in 1960 and the Sino-Soviet split.

According to Western diplomats in Beijing, their Soviet colleagues were "delighted" by the results of the visit. Soviet diplomats said Mr. Talyzin and the delegation has "talked of everything" with Chinese officials, implicit acknowledgement that political topics were broached, they added.

The visit followed a speech Soviet [as received] leader Mikhail Gorbachev in late July in which he announced a partial pullout of Soviet troops from Afghanistan and Mongolia and proposed settling a Sino-Soviet border dispute in China's favor.

Mr Talyzin also arrived just days after Chinese leader Deng Xiaoping offered to meet Mr Gorbachev if Moscow urged Vietnam to withdraw its troops from Cambodia.

Beijing and the Soviet Union signed two agreements during the visit. One concerns consular affairs and the other cooperation between the state planning commissions of the two countries. The cooperation agreement, according to informed Soviet sources, is important because it furnishes a formal framework for and endorsement of a programme drawn up for trade and commercial exchanges in the period 1986-1990.

Under existing agreements, Sino-Soviet trade should jump from some two billion dollars this year to between five to six billion dollars in 1990.

Beijing and Moscow did only 285 million dollars worth of business in 1982, when the first steps toward detente between the communist giants were taken.

The consular agreement deals with visits to China by Soviet experts and some 200 students and professors, the sources said. It also concerns passage through the Soviet Union of Chinese diplomats going to Europe by train, they added.

During his talks with Chinese officials, Mr Talyzin discussed the creation of Sino-Soviet joint ventures and the start-up of direct cooperation between Soviet and Chinese enterprises, the sources said.

Mr Talyzin, an alternate Politburo member and chairman of the State Planning Commission (Gosplan), visited Guangzhou in southern China, Wuhan in central China and Shenyang in the northeast before leaving Beijing for Moscow Monday.

Eastern European sources said that China and the Soviet Union would hold in-depth exchanges on political questions during a new round of normalization talks scheduled to open here on October 10.

The Soviet delegation to the talks is to be led for the first time by new Deputy Foreign Minister Igor Rogachev, a specialist in Chinese and Asian affairs who accompanied Mr Talyzin to China.

SINO-SOVIET BOOK TRADE AGREEMENT SIGNED

OW121251 Beijing in Russian to the USSR 1800 GMT 11 Sep 86

[Text] On 11 September, the last day of the first Beijing International Book Fair, Chen Weijiang, general manager of the China National Publications Import and Export Corporation; (Wang Keijun), general manager of the China Internatinal Book Trading Corporation and Yuriy Leonov, general director of the Soviet Mezhdunarodnaya Kniga Association, signed in the Beijing Exhibition Pavilion, an agreement on increasing the sale of books in both countries. It provides for the sale of Soviet books in China in Shanghai and Changchun in addition to the city of Beijing, and for the sale of Chinese books in Leningrad and Kiev, in addition to Moscow in the Soviet Union.

ZHAO ZIYANG VIEWS NUCLEAR TREATY WITH PAKISTAN

OW151316 Beijing XINHUA in English 1254 GMT 15 Sep 86

[Text] Beijing, September 15 (XINHUA) -- Premier Zhao Ziyang said here today China will neither advocate, nor encourage, nor practice the proliferation of nuclear weapons, and this represents its set policy. Zhao restated China's position concerning nuclear weapons at a meeting on the peaceful uses of nuclear energy with a Pakistan delegation led by Foreign Minister Yaqub Khan.

China is willing to conduct extensive cooperation with the international community in the peaceful uses of nuclear energy, Zhao said, but it has always been China's established policy not to advocate, encourage, or practice the proliferation of nuclear weapons.

Noting that China is critical of the treaty on the non-proliferation of nuclear weapons because it is discriminative, Zhao said China has always taken a serious attitude toward the non-proliferation of nuclear weapons.

The cooperative agreement signed today between China and Pakistan on the peaceful uses of nuclear energy will benefit the construction and development of science and technology in both countries. The agreement and its implementation will end the rumors regarding the nuclear cooperation between the two countries.

Yaqub Khan said the Pakistan Government values highly the agreement, which will contribute to Sino-Pakistan cooperation in major economic fields, and this is a new chapter in bilateral cooperation.

The agreement will help eliminate the irresponsible rumors and testify to China's policy of non-proliferation of nuclear weapons and Pakistan's policy of non-production of nuclear weapons, Yaqub Khan said. Present also was Song Jian, state councillor and minister in charge of the State Science and Technology Commission.

PRC DONATES WHEAT TO AFGHAN REFUGEES IN PAKISTAN

OW181927 Beijing XINHUA in English 1911 GMT 13 Sep 86

[Text] Islamabad, September 13 (XINHUA) -- China today provided five thousand metric tons of wheat in aid to Afghan refugees. The aid was presented by Tao Jian, commercial counsellor of the Chinese Embassy in Pakistan, to Pakistan Chief Commissioner on Afghan Refugees Izhar at a ceremony held in Karachi.

Speaking on the occasion, Tao said that the people and government of China have consistently stood by the people of Afghanistan in their struggle against foreign aggression and supported the effort for a fair and justifiable political solution to the Afghan issue.

He said China has always maintained that all the United Nations resolutions on Afghanistan be implemented, all the Soviet troops in Afghanistan be withdrawn immediately, completely and unconditionally, and the Afghan refugees return to their homeland. He noted that the people and Government of China put in high esteem and admiration the principled stand taken in this respect by the people and Government of Pakistan.

REPORTAGE ON FINNISH PRIME MINISTER'S VISIT

Arrives 14 Sep

OW141134 Beijing XINHUA in English 1118 GMT 14 Sep 86

[Text] Beijing, September 14 (XINHUA) -- Prime Minister Kalevi Sorsa of Finland and his wife arrived here this evening for a six-day official visit to China at the invitation of Chinese Premier Zhao Ziyang. Sorsa, who is the first Finnish prime minister to visit China, was greeted at the airport by Zou Yu, Chinese minister of justice and chairman of the Reception Committee of the Chinese Government.

Talks With Zhao Ziyang

OW151104 Beijing XINHUA in English 1042 GMT 15 Sep 86

[Text] Beijing, September 15 (XINHUA) -- Chinese Premier Zhao Ziyang and visiting Finnish Prime Minister Kalevi Sorsa today conferred on international issues and the growth of bilateral relations during their talks here this morning. It was learned that the talks proceeded in a cordial and friendly atmosphere.

Zhao said China and Finland share many similar views on international situation. China stands for disarmament and is opposed to arms race and especially to the extension of arms race into the space. China implements an independent foreign policy of peace, which can play an important role in safeguarding world peace, he said. China also regards Europe as an important factor for promoting detente, preventing war and safeguarding peace, he said. More and more European countries, either in Eastern or Western Europe, either in or not in the bloc, or neutral, all stand for disarmament and detente. On the question of war and peace, all small and medium-sized countries in Europe like to have their own rights to speak, and this should merit attention, he said.

Sorsa said that Finland, a neutral and non-aligned country, is willing to develop its relations of friendship with all countries. Finland considers arms race a most worrisome phenomenon in the world. It also stands for disarmament and hopes to see the international situation ease gradually for it conforms to the interest of the Finnish nation, he added. With regard to the question of striving for disarmament and detente and solving regional conflicts, he said, not only big countries, but also other nations can play their roles and so they should have their own rights.

Speaking of bilateral relations, Zhao said, China attaches importance to developing bilateral cooperation in the fields of politics, economy, trade, science and technology on the basis of equality and mutual benefit, he said. China will adopt new measures to improve its environment for investment and welcome Finnish industrialists to invest in China. Zhao recalled his meeting last year with Finnish President Manno Henrik Koivisto in the UN and said Sorsa's current visit signified the entering of a new stage for Sino-Finnish friendly relations and cooperation.

Sorsa noted with happiness that this is his first visit to China as the Finnish Prime Minister, adding that it is also his first trip to Asia.

As one of the first Western countries to establish diplomatic relations with China, Sorsa said Finland pays heed to developing relations with China. He held that his present China visit will contribute to bilateral relations, and acknowledged that the Finnish Government and economic circles are also willing to strengthen Sino-Finnish economic and trade cooperation.

Sorsa extended his invitation to Zhao to visit Finland. Zhao said that he will be glad to visit this beautiful and richly-endowed Nordic country and the time for his visit will be decided through diplomatic channels.

Earlier this morning, Zhao Ziyang presided over a ceremony on the Plaza East of the Great Hall of the People for Sorsa on his official visit to China.

Zhao Ziyang, Sorsa Speak

OK151548 Beijing XINHUA in English 1518 GMT 15 Sep 86

[Text] Beijing, September 15 (XINHUA) -- China wants to strengthen ties with Finland and other European countries to safeguard world peace and promote common development, Chinese Premier Zhao Ziyang said here today. Zhao spoke at a banquet honoring visiting Finnish Prime Minister Kalevi Sorsa and his party here this evening.

Zhao said although China and Finland have different social systems and situations, they are both working to safeguard world peace and build their countries in a peaceful environment. China opposes the arms race and stands for solving international disputes through negotiations. It welcomes a relaxation of the tension between the United States and the Soviet Union, and hopes that the two countries will carry out earnest negotiations for an agreement on drastically reducing their arsenals, with no third party interests being compromised.

China believes, Zhao said, that major issues like peace and disarmament should be not decided by only one or two big countries. Other countries should also have the equal right to voice their opinions and contribute to the settlement of those issues. He said that China fully understood and respected the positive policy of peace and neutrality pursued by Finland, and admired its positive contributions to reducing tension in Europe and promoting contact and cooperation between East and West European countries. The premier spoke highly of Sino-Finnish cooperation in recent years, saying trade between the two countries had greatly increased while the two countries had begun scientific and technical cooperation. Both Zhao and the Finnish Prime Minister expressed the wish to expand and diversify cooperation between the two countries.

Sorsa said the fact that the two countries had no conflict of interests provided a sound basis for developing relations. His country is following China's reforms with great interest and admiration and is willing to share its experience and technology with China. Finland could be China's important partner for cooperation in forestry and the timber processing industry, he said, adding there were also possibilities for cooperation in mining, chemical, machine-building, and telecommunication industries.

The scientific and technical cooperation agreement to be signed by the two countries, Sorsa predicted, will provide new prospects for cooperation between the two countries. The mixed loan agreement to be signed would also help further Finnish-Chinese economic cooperation. Finland is willing to develop sound relations with all countries in the world and will not involve itself in conflicts of interests between big powers, said Sorsa.

The prime minister advocated that big powers and countries with nuclear capability should be held mainly responsible for disarmament. "Military preparation and the development of new weapons will not strengthen security. The use of weapons should be controlled and the number of weapons reduced," he said. One of the major goals toward disarmament is a broad agreement on banning nuclear tests, which could be effectively supervised, he added. He said that Finland was now striving to make northern Europe a nuclear-free zone and speed up the conference on security and cooperation in Europe.

Chinese State Councillors Ji Pengjei and Song Jian were among those present at the banquet.

Meets Deng Xiaoping

OW160820 Beijing XINHUA Domestic Service in Chinese 0647 GMT 16 Sep 86

[Text] Beijing, 16 Sep (XINHUA) -- At a meeting with Finnish Prime Minister Sorsa today, Chairman of the CPC Central Advisory Commission Deng Xiaoping stressed once again that the most cardinal issue in removing the three big obstacles in Sino-Soviet relations is the solution of the question of Vietnamese aggression against Cambodia.

Deng Xiaoping said: "We stress the necessity to solve the question of Vietnamese aggression against Cambodia because it is, in reality, a hot point in Sino-Soviet relations."

He said: "If the Soviet Union can eliminate this hot point, it will be doing good to both itself and Vietnam and making a contribution to the peace in the Asian-Pacific region and in the rest of the world."

Deng Xiaoping extended a hearty welcome to Sorsa as the first Finnish prime minister visiting China and briefed him on the propsects of China's economic development and its policy of opening to the outside world.

Deng Xiaoping said: Now China is still very backward. Our first task is to free ourselves from poverty and become comparatively well off by the end of this century. Then, we will work hard for several more decades to develop our economy to a level close to that of developed countries. At present, our policy is to enliven the domestic economy and open to the outside world. He stressed: "Without opening, China cannot achieve its objective of economic development for this century, still less the objective for the next century. In view of this, we very much welcome all friendly countries and peoples to increase cooperation with us." Deng Xiaoping said that Sino-Finnish economic cooperation has very broad prospects.

Sorsa said: The past 2 years have seen very fast development of the cooperative relations between China and Finland. The government and the economic circles of Finland are greatly interested in increasing bilateral trade, developing joint ventures, and making investment in China. Finland is quite willing to play a role in China's great modernization process.

Deng Xiaoping expressed appreciation of the positive stance taken by the Finnish Government toward cooperation with China.

ZHOU GUCHENG FETES NORWEGIAN PARLIAMENTARIANS

OW151802 Beijing XINHUA in English 1549 GMT 15 Sep 86

[Text] Beijing, September 15 (XINHUA) -- Zhou Gucheng, vice-chairman of the Standing Committee of the Chinese National People's Congress, gave a banquet for a religious, educational and cultural committee delegation from the Norwegian Parliament, led by Haakon Blankenborg. The banquet was sponsored by the Education, Science, Culture and Public Health Committee of the National People's Congress, the host committee.

Zhou hoped that both sides would strengthen cooperation between the two parliaments and the members of the two committees, especially in cultural and educational contacts to promote the mutual understanding and friendship between the two countries and peoples.

Blankenborg stressed the importance of cooperation between Norway and China. He expressed the belief that the delegation's visit to China would strengthen the ties between the two sides in culture, education and other aspects.

Zhou Gucheng had talks with the Norwegian guests before the banquet. The delegation arrived earlier today.

ZHANG AIPING LEAVES ITALY FOR BRITAIN 15 SEP

OW151448 Beijing XINHUA in English 1435 GMT 15 Sep 86

[Text] Rome, September 15 (XINHUA) -- China's Defense Minister Zhang Aiping left for Britain today after a successful visit to Italy. During his stay here, Zhang held talks with his Italian counterpart Giovanni Spadolini on the current international situation. They asked about ways to increase cooperation between the armed forces of the two countires and in military technical information. The Chinese Defense Minister also visited military installations and watched a landing exercise by Italian amphibious forces. Zhang was welcomed warmly everywhere he went.

ZHANG JINGFU MEETS VISITORS FROM WEST GERMANY

OW131242 Beijing XINHUA in English 1225 GMT 13 Sep 86

[Text] Beijing, September 13 (XINHUA) -- Chinese State Councillor Zhang Jingfu met here today Dr. Jur Winfried Florian, state secretary of posts and telecommunications of the Federal Republic of Germany, and his party. The visitors arrived here Thursday. They signed an agreement with the Chinese Ministry of Posts and Telecommunications on fast post delivery yesterday. They also held talks with the Chinese ministry on opening a direct-dial telephone service and other cooperation projects between the two countries.

GOVERNMENT STRUCTURAL REFORM TO TAKE 10 YEARS

HK130320 Hong Kong TA KUNG PAO in Chinese 13 Sep 86 p 3

["Special Dispatch" by correspondent Kung Shuang-yun: "Government Structural Reform To Take 10 Years; Problem of Overstaffed Organs Hard To Solve"]

[Text] Beijing, 12 Sep -- Song Tingming [1345 1694 2494], a deputy bureau director of the State Commission for Economic Structural Reform, told correspondents today that the point where economic and political structural reforms are linked and join up lies in government structural reform. The structural reform of overnm at all levels is a reform of both economic and political structures. The steps in this reform consist of first delegating powers, then shifting onto a new track, and then carrying out streamlining. Roughly the span of two 5-year plans will be needed for this.

Song Tingming graduated from the Chinese People's University and worked for a minor journal in Xinjiang for 5 years. He is now deputy director of the Investigation and Study Bureau of the State Commission for Economic Structural Reform.

He said that political structural reform is mainly aimed at solving four problems: 1) properly handling party-government relations on a nationwide scale, from the central authorities down to the localities; that is, the question of how the ruling Communist Party can improve party leadership; 2) how to streamline the party and government organs, especially the latter, at all levels; 3) how to attain a high degree of socialist democracy on a still more extensive scale; 4) how to put on a sounder basis and perfect the socialist legal system.

He said that at present the greatest obstacle to political structural reform comes from the old concepts and systems of thought left over from China's feudal society and from the force of the conservative and backward habits of small peasant economy; it also comes from the unwieldy and overstaffed party and government organs. Chairman Deng Xiaoping has therefore said that it is essential to carry out political structural reform while undertaking economic structural reform; it will be very difficult to carry out economic structural reform unless political structural reform is undertaken.

On the current difficult problems encountered in reform, Song Tingming said that the first difficulty is that it is essential to reform the price system while also guarding against inflation. The price policy involves the vital interests of the whole country's 1 billion people and of all economically legal persons [jing ji fa ren 4842 3444 3127 0086]. The second difficulty is the reform of the wage system. This involves the vital interests of 200 million urban residents, because 99 percent of them depend on wages. The third difficulty is the question of how to streamline the party and government organs and improve office work efficiency. This involves the vital interests of 24 million state work personnel, including 4 million cadres of party and government organs. He said that the essence of reform is readjustment and redistribution of powers and interests.

He said that a great deal of work is needed to ensure that 24 million state work personnel will all understand and support the reforms. This is the most difficult problem to solve. He said that the Chinese Government is known as the world's second largest government, the largest being that of the Soviet Union. The Chinese Government has 43 ministries and commissions and 51 units directly subordinate to it. The Soviet Union has 88 ministries and commissions and more than 40 directly subordinate organs. [paragraph continues]

The streamlining of this unwieldy and overstaffed structure is not something that can be resolved just by issuing a simple administrative order. We certainly cannot adopt the methods used during the time of Mao Zedong and chase them off to "7 May" cadre schools. Our cadres are not equipped to follow the example of U.S. Secretary of State Kissinger, who can act both as a university professor and a secretary of state. We should gradually change their functions through training. This will require the span of two 5-year plans, roughly 10 years, to resolve. The results of the reforms will be to attain a new organ and personnel establishment as laid down in the new State Council organization law.

QIAN JIAQU REJECTS FURTHER DEVELUATION OF RENMINBI

HK120611 Hong Kong SOUTH CHINA MORNING POST in English 12 Sep 86 Business Post p 1

[By Paul Sham]

[Text] Further devaluation of the renminbi will not happen in the near future and China will not abandon foreign exchange controls before the end of the century, one of the country's foremost economists declared yesterday.

Qian Jiaqu, known for his authoritative and sometimes outspoken comments, told a seminar in Hong Kong on China's price reform and currency policy that the depreciation of the renminbi had been so great in recent months that any further fall in value would seriously jeopardise the economy.

His unequivocal remarks were in sharp contrast to recent speculation in China trade circles of another devaluation being imminent.

Since China announced in June that it intended to abolish foreign exchange certificates (FECs), many had thought the authorities would bring the official exchange rate further into line with the black market, so helping to stamp out illegal dealing.

FECs are widely expected to be scrapped on October 1, and it was suggested that any move on the renminbi would be made before then. The last cut was in July.

Mr Qian dispelled that impression and admitted that the black market would continue to exist for the time being. He dismissed the notion that devaluation would boost exports -- the prime target of most domestic enterprises. "The effect on exports is only psychological, not real."

Only better and more varied products and packaging, and punctual delivery, could increase sales overseas, he said. Devaluation would curb only imports.

As for hopes that China's economic reforms might lead fairly soon to the currency being floated free of exchange controls, Mr Qian said flatly: "It is impossible. China's economy is still weak and export performance is bad."

Abolition of exchange controls would lead to a massive drain on hard currency reserves, he said.

"I do not expect foreign exchange controls will go in the foreseeable future, not before the end of this century."

He also said renminbi would not be used in Hong Kong after it reverted to Chinese control.

LEGAL PROFESSION TO GROW BY 'LEAPS, BOUNDS'

OW131247 Beijing XINHUA in English 0948 GMT 13 Sep 86

[Text] Beijing, September 13 (XINHUA) -- The legal profession in China will grow by leaps and bounds over the next 15 years so that by the turn of the century there will be ten times as many lawyers in the country as there are today. An official from the Ministry of Justice said an expanding judicial system has created an overwhelming demand for qualified and well trained lawyers.

During the ten years of the "Cultural Revolution" lawyers were outlawed in China but things have changed drastically in the decade since then. Over the last eight years a Chinese Constitution has been written, a criminal code has been put into force, a corporate investment law has been established and the Ministry of Justice has been revived. All these changes have created an acute shortage of lawyers and has put a tremendous strain on overworked legal professionals.

To alleviate the pressure, tens of thousands of students are studing law at universities and through correspondence courses. About 2,700 students are studying law full-time at 40 universities, legal institutes and colleges but this will not nearly meet future demands, the Ministry of Justice official said.

The post secondary institutes could handle an enrolment of 4,000 students a year but even this figure needs further expansion. The Law Department of the Central Television University, which offers course by correspondence, has enrolled 50 thousand law students but few of them will earn certificates allowing them to become practicing lawyers.

NATIONAL EXAMINATIONS FOR LAWYERS TO BE HELD

OW131323 Beijing XINHUA in English 0953 GMT 13 Sep 86

[Text] Beijing, September 13 (XINHUA) -- China will hold its first national examinations for lawyers later this month, an official from the Ministry of Justice told XINHUA here today.

More than 16,000 applicants will take part in the exams, the official said, adding that from now only those who pass the examinations can be hired to work as lawyers. Previously, chinese lawyers were required to take examinations from provincial governments after graduating from a university legal department. "All lawyers will have to pass these strict national exams before they are granted lawyers' certificates by the ministry and before they are legally entitled to practice law," said the justice official.

Lawyers resumed activities in 1979, after a 20 year suspension. The country now has over 13,670 full-time and part-time lawyers. Almost two-thirds of China's law cases were handled by the presence of lawyers in the past two years. They promoted reconciliation between two disputing parties and attended trade negotiations.

The justice official said that China will train 37 thousand competent lawyers by 1990 and will retrain today's 13 thousand. As part of the retraining program, a center has been set up to train senior lawyers in foreign economic, patent and marine laws and regulations. Other lawyers will be retrained in different localities.

REFORM, DEVELOPMENT FOCUS OF EDUCATIONAL RESEARCH

HK121544 Beijing GUANGMING RIBAO in Chinese 6 Sep 86 p 1

[Report by reporter Yang Zhihan: "Research on Education Science Will Focus on Development Strategy and Reform in the Seventh 5-Year Plan Period"]

[Text] According to reports from the National Education Science Planning Leading Group meeting, prograss was made in China's research on education science during the Sixth 5-Year Plan and key projects already completed, have provided a theoretical basis for making macroscopic policy decisions and structural reform in education. In the Seventh 5-Year Plan, a strategy for educational development and educational reform will be put in the most important position in research on education science, and efforts will be concentrated on 10 aspects.

During the Sixth 5-year Plan , a lot of research results with both academic value and practical significance were made in China's research on education science. The research on "The Percentage of Educational Expenditures in National Revenue and the Evaluation of Economic Results of Educational Investment" carried out by Professor Li Yining of Beijing University has put forward a set of relative, realistic, mathematic models for the percentage of educational investment, and has scientifically expounded questions concerning China's educational investment and how the investment should be used. These results are extremely important, and valuable data for the government making policy decisions. Besides, results of research projects "The Characteristics of the Psychological Development of Chinese Children and Education," "Research on Education in China's Rural areas," "Research on the Structure of China's Tertiary Education," and other projects have provided a solid basis for reforming the educational structure. At present, there are 37 research institutions in various cities and provinces, and in normal schools and colleges throughout the country. Educational research institutes and offices have also been set up in more than 300 colleges and universities. The total number of full-time research workers in these two kinds of organizations is more than 2,000.

In the Seventh 5-year Plan, the focus of China's research on education science includes 10 preliminary aspects: Strategy for educational development; Basic educational reform; structure of education; management of education; basic construction of educational research; ideological and political work; history of China's education; and education in foreign countries.

The meeting stressed that from now on various methods, such as awarding degrees to college students and self-taught individuals, the integration of full-time and part-time researchers, and so on should be used to train a contingent of high-level education research workers. [paragraph continues]

Experiments in education should be enthusiastically carried out. Several typical education experimental zones and experimental schools should be established and the results of their experiments should be spread in good time. Great efforts should be made in publicizing knowledge of education science and popular books on education science should be published for teachers and students' parents.

RENMIN RIBAO COMMENTATOR'S ARTICLE ON TEACHERS

HK140600 Beijing RENMIN RIBAO in Chinese 10 Sep 86 p 1

[Commentator's article: "To Teachers on Teachers' Day"]

[Text] Today is the annual celebration of Teachers' Day. Teachers work hard all year round at their post to pass on knowledge and cultivate people, and respecting teachers and their work has become good practice in our society. On this festival, people are even more grateful to their teachers. Here, we sincerely express our congratulations and our highest esteem for teachers of all nationalities in the whole country.

Respected teachers, your work is the most glorious work in society. Man is the most important among all things in the world. It is a matter of course that the work of cultivating people is the most important work. At present, all nations are intensely competing with each other in the technological and economic field; but in the final analysis, the competition is in the training of people and in education. In the past year, the party and the government have made new efforts to develop education, raise teachers' social status, and improve teachers' working and living conditions. All circles in society have also supported education and teachers' work and made contributions to deepen people's respect for teachers and their work. The fact that more young people have signed up for the enrollment examinations of teachers' schools also shows that teachers' status in society is indeed higher than before. Of course, due to limitations in various aspects and the insufficiency of people's efforts, the benefits offered by various localities to teachers is still limited. Under these circumstances, the 10 million teachers in the country fully demonstrate their high political consciousness and sense of responsibility. This will never be forgotten by the party and the people.

In the new period of opening and reform, teachers are shouldering heavier work loads. In order to train qualified personnel for our modernization cause, teachers have directly or indirectly participated in building material civilization. At the same time, as engineers of people's souls, teachers are professional workers engaged in the construction of spiritual civilization. In a broad sense, a teacher's work is to "enlighten people and pass on scientific and cultural knowledge;" that is, to spread spiritual civilization. Concretely speaking, educating young people so that they can have lofty ideals, moral integrity, rich knowledge, and a good sense of discipline is a basic task in the building of spiritual civilization. With such an important and arduous task on the shoulders of our tachers, how glorious they are!

We Chinese people have a tradition of respecting teachers and their work. From ancient times on, teachers have been regarded as leaders and revered people. Teachers also pay great attention to setting a good example for other people. Today, teachers do not only spread civilization through their teaching activities, but also set a good example with their own words and deeds for the development of civilization. [paragraph continues]

They not only should be an example for their students, but should also be an example for the whole society. Therefore, it is necessary to particularly emphasize teachers' trade ethics and social responsibilities. It is important for teachers to have self-respect and self-confidence. Mr Tao Xingzhi, a famous educator of the people, said: "Teachers should respect themselves if they are to be respected by other people." Teachers should first love their job and should not improperly belittle themselves and their job and always try to change their job. They should resolve to take educational work as their lifelong career and should have the lofty aspiration of making unremitting efforts to develop China's education. On the one hand, people in all walks of life should respect teachers and their work; on the other hand, all teachers should set a good example for the public. This will effectively promote the building of socialist spiritual civilization in our country.

Our respected teachers, the times have placed you in the forefront of the two civilizations, and the people have placed high hopes in you!

ZHONGGUO FAZHI BAO ARTICLE VIEWS NPC DEBATE

HK120339 Beijing ZHONGGUO FAZHI BAO in Chinese 4 Sep 86 p 1

[Article by reporter Yan Jun: "Having More Arguments Is a Good Thing -- Sidelights of the 17th Session of the 6th NPC Standing Committee"]

[Text] The formulation of the Enterprise Bankruptcy Law has always been a concern of various segments of society. The need to formulate such a law seems to be unanimously agreed upon without any difference of opinion. What is at issue is whether conditions now exist for its introduction and whether the time is ripe. Such a debate, with differing views voiced, is naturally reflected in our country's legislative organs and the state's organ of supreme power -- the session of the NPC Standing Committee.

People at group discussions and committee members vied to speak out. It was quite a heated debate! Wu Bo, Dong Jianhua, Wu Heng, He Ying, Deng Jiatai, and other committee members said: The formulation of the bankruptcy law is an important component of reform and is an important measure in reform. It is in line with the objective law governing the development of the socialist commodity economy. Some socialist countries have successively formulated a bankruptcy law. There is no need for us to wait. It is time to come out with such a law. On the other hand, Lei Jieqiong, Ma Wanqi, Huang Rongchang, Tao Dayong, Liu Jingqi, Gu Gengyu, and other committee members put forth a different view. They feel that the formulation of the bankruptcy law should be given prudent consideration. At present, necessary conditions are still lacking. Some committee members even feel that the bankrupcy law is not the only panacea to solve the enterprise deficit problem.

Putting aside which of the two views should be adopted, just the display of such a serious and responsible attitude on the part of the committee members who aired their own views in a warm atmosphere really moved us. Some comrades said: This is the first session of the NPC Standing Committee in many years that has discussed the problem of legislation with committee members' thinking so emancipated in a relatively heated debate. Vice Chairman of the NPC Standing Committee Peng Chong fully affirmed such democratic atmosphere of the session. [paragraph continues]

He said: "Committee members have aired many views in discussing the state enterprise bankruptcy law. This is a very good thing. Only in this way can we stimulate the revision of our laws in a still better manner."

Many elders in legal circles, experts, scholars, and ordinary people warmly praised our country for entering "the golden era of the development of the legal system" since the 3d Plenary Session of the 11th CPC Central Committee. In terms of legislation alone, more than 50 laws have now been produced. As far as the pace of legislation is concerned, about 10 laws have been formulated every year in the past few years. To properly exercise the power of legislation entrusted to them by the people, the members of the NPC Standing Committee should fully air their opinions and state their own viewpoints in the course of discussion -- doing a good job of legislation on the basis of a high degree of democracy. The keen discussion of the bankruptcy law by the NPC Standing Committee members this time has created such a democratic atmosphere. This helps a lot in strengthening the development of our socialist democracy and legal system.

STATE CONCERNED BY INFLUX OF 'LIVING BUDDHAS'

HK150708 Hong Kong AFP in English 0646 GMT 15 Sep 86

[By Lawrence MacDonald]

[Text] Beijing Sept 15 (AFP) -- Tibet's god-king, the Dalai Lama, has taken control of 38 major Tibetan temples and monasteries via specially-deputized living Buddhas sent in from abroad, reliable sources said here Monday.

Control of religious centres posed a serious challenge to Beijing's administration of areas surrounding the centres, since local Tibetan cadres were often more loyal to the Lamas than to the government, said the sources, who spoke on the condition that they not be identified. An official of the Chinese Goverment's Religious Affairs Bureau confirmed to AGENCE FRANCE-PRESSE that te Dalai Lama has sent living Buddhas into Tibetan monasteries but declined to say how many. "These people will eventually be seen through by the masses,' said Duan Qiming, deputy director of the bureau's department overseeing Buddhist affairs. "They can't hide behind religion to carry out illegal activities."

The sources said the Dalai Lama's emissaries had appeared at 38 major monasteries in Tibet proper and Tibetan areas of neighboring Chinese provinces with a document in Tibetan script bearing the Dalai Lama's seal. Resident Lamas -- who revere the Dalai Lama as divine -- would immediately prostrate themselves in obeisance, placing the new arrival in charge, the sources said. The infiltration appears to have been going on for some time but had accelerated since October 1985, the sources added.

Living Buddhas, the highest of Tibetan holymen, are said by believers to pass from one generation to the next by reincarnation. But a 27-year de-facto government ban on the search for successors has left many recently re-opened monasteries in without such leadership, observers said. Mr. Duan said that a "small number" of living Buddhas sent by the Salai Lama had been expelled for "advocating an independet Tibet" and stirring up ethnic tensions between Tibetans and Han, China's ethnic majority.

Others would be permitted to remain as long as they confined their activities to religion, he said.

The Dalai Lama has lived in India since 1959 after fleeing following an abortive anti-Chinese uprising in Tibet.

The sources said the infiltration was possible because of China's policy since 1978 of welcoming back exiled Tibetans and allowing increased religious freedom. Despite improved conditions, resentment of Chinese rule remains strong in Tibet, where at least 90 percent of some 5,000 temples and monastaries were destroyed by the Chinese during the Cultural Revolution. The sources said that the government was concerned because ethnic Tibetan cadres were helping monasteries collect unauthorized taxes from local herdsmen. The herdsem, often impoverished, were devout and readily gave what was asked, the sources said. Among monasteries said to be effectively under the Dalai Lama's control was Tibet's largest, Drepung (known in Mandarin as Zhibang). Situated on the outskirts of Lhasa, it has an estimated 1,300 Lamas in residence.

Alarmed by the success of the infiltrators, China was preparing to withdraw a 1959 ban on the search for living Buddhas' new incarnations in order to increase government control over the process, the sources said. For nearly 800 years before the ban, successors to deceased living Buddhas were chosen from among peasant boys through a lengthy and elaborate system. Mr Duan denied that selection of living Buddhas had ever been officially banned, saying that it had simply ceased due to the "disruptions" of the late 1950's. He acknowledged, however, that the practice was likely to be resumed. "Indentification of a living Buddha's new incarnation is an integral part of the Tibetan religion. The masses have requested that it be restored and we have taken note of their desire," he said: Specific arrangements would be left to the National Buddhist Association and local religious organisations, he said.

Observers said official recognition of living Buddhas and the selection of their new incarnations would help Beijing manage the process and limit the influence of the Dalai Lama's emmisaries.

Mr Duan said it was not possible at present to say how many living Buddhas there were in China, partly because statistics were not complete. Foreign observers said there ware likely several hundred.

Work was proceeding on gathering and checking information about living Buddhas and it was likely that statistics would be released within the next few months, Mr Duan said. Analysts said release of information about living Buddhas would probably correspond to the National Buddhist Association's adoption of policies allowing the search for new incarnations while strengthening Beijing's control through various guidelines and regulations.

ZHENG TUOBIN VIEWS TECHNOLOGY IMPORT PRIORITIES

OW141757 Beijing XINHUA in English 1442 GMT 14 Sep 86

[Text] Beijing, September 14 (XINHUA) -- Minister of Foreign Economic Relations and Trade Zheng Tuobin today listed technological processes, manufacturing technology and management know-how as the priorities in China's import of technology.

This aims at improving China's technological development capability, the minister explained at a national meeting of corporations engaged in technology trade.

Better planning is needed and more flexible methods should be used in order to import advanced technologies adapted to China's conditions, he said. A lessen should be learned from the past eight years, he said. He noted two shopping sprees, in 1978 and 1984-1985, adding that ups and downs in the technology import should be avoided in the future. Other undesirable aspects of the importing work include neglect of manufacturing technology and duplication of production lines imported.

During the current five-year plan period ending in 1990, the technological updating of the energy, transport, telecommunications, raw material, machinery and electrical industries remain the focal areas of technology import, the minister stated.

SCIENCE ACADEMY TO BECOME RESEARCH CENTER

OW151130 Beijing XINHUA in English 0643 GMT 15 Sep 86

[Text] Beijing, September 15 (XINHUA) -- The Chinese Academy of Sciences should be developed into a national research center for basic and applied sciences, said Yan Dongsheng, vice-president of the academy.

Today's "ECONOMIC DAILY" quoted Yan as saying that cooperation with and opening to production departments should be the direction of the academy' reform. He made this remark at a work conference of the academy which began last Saturday.

The vice-president said that the research institutes attached to the academy should cooperate with enterprises, schools of higher learning and government departments. He told participants at the conference that the academy has already established long-term scientific and technological cooperation with 13 provinces, municipalities and ministries as well as some coastal cities and big enterprises. It research institutes have also formed cooperative relations with more than 3,100 enterprises to transfer technological achievements, provide technical consultants and co-run the enterprises.

As a result, over 120 cooperative entities for scientific research and production have been set up and several thousands research personnel from the academy have become directors, chief engineers and technological advisors to cooperatives and industrial enterprises.

The academy opened its first two research institutes and 17 laboratories in 1985 to provide research conditions for experts working in enterprises and other research units.

Yan disclosed that the academy will soon open more laboratories, and up to now, 35 research institutes have also developed cooperation with colleges and universities to train graduate students and conduct academic exchanges, he said.

SCIENCE, TECHNOLOGY INFORMATION CENTER NEAR COMPLETE

OW151134 Beijing XINHUA in English 0909 GMT 15 Sep 86

[Text] Beijing, September 15 (XINHUA) -- First-phase construction of the country's largest science and technology information center is to be completed here by the end of this year, the State Science and Technology Commission announced here today.

Located by the Bayi Lake in the western suburbs of the Chinese capital, the entire center with a total floor space of 64,000 square meters will be completed and commissioned by the end of June next year, Liu Zhaodong, deputy director of the Science and Technology Information Department of the commission, told the reporter. The Chinese Government is investing a total of 88 million yuan (about 21 million U.S. dollars) on this State Science and Technology Information Center which will have several divisions including information collection, document processing, a computer center, a reading division, a research section, an audio-visual center and a product-sample-catalog center. The first of its kind in China, the comprehensive information center will employ a total of 1,500 people, Liu Zhaodong said. The country now has 3,888 science and technology information instutitions of various sizes, employing 68,000 people.

HU QIAOMU CUTS RIBBON FOR AGRICULTURAL MUSEUM

OW151302 Beijing XINHUA Domestic Service in Chinese 1342 GMT 13 Sep 86

[By reporters Zhou Yichang and Zhang Jianjun]

[Excerpts] Beijing, 13 Sep (XINHUA) -- Hu Qiaomu, member of the Political Bureau of the CPC Central Committee, cut a ribbon at the opening ceremony for the China Agricultural Museum this morning. The museum has been established with the approval of the State Council. Some 800 persons attended the opening ceremony and viewed the exhibition. They included Comrades Zhou Gucheng, Yan Jici, Hu Ziang, and Qian Changzhao and representatives of various circles in Beijing. [Passage omitted]

XI ZHONGXUN PRAISES HANDICAPPED ATHELETES

OW151340 Beijing XINHUA Domestic Service in Chinese 1504 GMT 13 Sep 86

[By reporter Xu Jiren and Peng Dong]

[Excerpts] Beijing, 13 Sep (XINHUA) -- At a victory celebration this morning, Xi Zhongxun, member of the Political Bureau of the CPC Central Committee, praised the handicapped athletes of the country for the "splendid and amazing achievements" they had made at the Fourth Far East-South Pacific Handicapped Games. [passage omitted] This morning's meeting was sponsored by the Ministry of Civil Affairs, the State Physical Cultural and Sports Commission, and the China Welfare Found for Handicapped. Presenting prizes to handicapped atheltes were Xi Zhongxun, member of the Political Bureau of the CPC Central Committee; Qiao Shi, member of the Political Bureau of the CPC Central Committee and vice premer of the State Council; Huang Zhen, member of the Standing Committee of the Central Advisory commission; Zhu Xuefan, vice chairman of the NPC Standing Committee; Zhang Bangying, member of the Central Advisory Commission; and Li Menghua, minister in charge of the State Physical Culture and Sports Commission. [passage omitted]

ANHUI'S LI GUIXIAN ON IMPROVING PARTY STYLE

OW151215 Hefei ANHUI RIBAO in Chinese 31 Aug 86 p 1

[Excerpts] Li Guixian, secretary of the provincial party committee, delivered a speech on improving party style at a provincial conference of prefectural and city Discipline Inspection Commission secretaries called by the provincial party committee on 29 August.

Stressing the importance of correctly assessing the current situation in party style in Anhui, Comrade Li Guixian said: Owing to the implementation of the CPC Central Committee's relevant documents and of the guidelines of the meetings of 8,000 central cadres, party style in Anhui has undergone a tremendous change and a remarkable improvement has been achieved in many fields. Some unhealthy practices have been basically stopped while unhealthy tendencies characteristic of certain trades and professions have begun to disappear. In general, the main trend in rectifying party style is healthy. However, we must also be aware of serious problems existing in party style. To bring about a fundamental improvement in party style, we still face an arduous task and must work hard with unremitting effort.

Comrade Li Quixian said: It is necessary to earnestly carry out the principle of making resolute and sustained efforts in mobilizing all party members to rectify party style. He said: correcting party style is an immediate, as well as long-term, task. We must work seriously for years on this task, and continue to carry it out after these 2 years. It is necessary to foster the idea of improving party style over a protracted period and make the work part of the entire process of reform. Only by doing so can we ensure correct implementation of the policies of opening to the outside world and invigorating the domesic economy. Therefore, it is necessary to clearly understand the guidelines of the central leading comrades' relevant instructions, keep a cool head, combine immediate with long-range goals, and make relentless efforts to overcome undue complaceny and lethargy.

Comrade Li Guixian said: The key to achieving fundamental improvement in party style lies in the efforts by all party members and party committees. [passage omitted]

Expounding the relationship between improvement of party style and reform and setting forth the requirements of improving party style in his speech, Comrade Li Guixian said: In order to create a sound social and political environment for reform and ensure its smooth progress, it is necessary to pay equal attention to reform and improvement of party style and to correct unhealthy tendencies. This is also the basic guideline for discipline inspection work.

Fully affirming the role played by discipline inspection commissions at various levels in rectifying party style and correcting unhealthy tendencies, Comrade Li Guixian said: In spite of difficulties and resistance, the vast numbers of discipline inspection cadres have upheld principles, performed their duties honestly, and worked effectively, thereby contributing to improvement of party style. He emphatically pointed out: Under the new situation, party discipline inspection departments shoulder a heavy task. The party and the people place high hopes on Discipline Inspection Commissions. Therefore, the party committees at various levels should strengthen leadership over and support discipline inspection work, safeguard the authority of the Discipline Inspection Commission, and show concern for discipline inspection cadres politically and in their everyday life. [passage omitted]

LI GUIXIAN HOLDS MEETINGS WITH OLD CADRES

OW151318 Hefei Anhui Provincial Service in Mandarin 1000 GMT 12 Sep 86

[Excerpts] Li Guixian, secretary of the Anhui Provincial CPC Committee, invited some old cadres remaining at the second or third line as well as noted personages without party affiliation to discussion meetings on 9 and 12 September to solicit their opinions on how the provincial party committee could do its work well. The participants spoke their minds freely. The questions discussed included political, economic, educational, and scientific and technological ones. [passage omitted] As for problems raised by the participants that could be solved at present, Comrade Li Guixian immediately instructed comrades in charge to get in contact with the units concerned and to discuss how to solve such problems with the latter. [passage omitted]

ANHUI CADRES PUNISHED FOR SQUANDERING FUNDS

OW150801 Beijing XINHUA Domestic Service in Chinese 0155 GMT 12 Sep 86

[By reporter Kong Xiangying]

[Excerpts] Hefei, 12 Sep (XINHUA) -- Recently rural cadres of Huoqiu County, Anhui Province, who had embezzled and wilfully squandered relief funds have been sternly punished. Among them, Ouyang Li, party branch secretary of Zhugang Village, Zhugang Township; Fan Jiuhe, assistant civil affairs administrator of Shuishang Township; and Wang Benchuan, accountant of Laoji Village, Sanliu Township, were expelled from the party. The judicial organ is now pursuing their criminal liabilities;

According to statistics compiled by the country's five townships and towns, including Zhugang Township, Xindian Township and Fanqiao Township, the county had appropriated a total of 447,000 yuan in relief funds for the past 2 fiscal years for use by various localities as a repayable laon from the county. However, more than 70 percent of the funds were embezzled by rural cadres. Ouyang Li, party branch secretary of Zhugang Village in Zhugang Township, and his family alone embezzled 750 yuan. Under his influence, other village cadres embezzled an average of over 200 yuan. As a result, a total of 2,538 yuan was embezzled. [passage omitted]

Houqiu County is located in a flood-prone area along the Huai He. It is a poor country which has suffered floods for years. Due to the abuse and embezzlement of relief funds, the people of the county have suffered greatly. This problem in Huoqiu County has aroused the attention of the central leadership and of responsible comrades of the relevant department of the state and of the Anhui Provincial CPC Committee. Recently, with the help of the Anhui Provincial CPC Committee and the departments concerned, the Houqiu County CPC Committee and the county government have checked the facts and handled the case.

SHANDONG LEADERS STUDY WAYS TO BOOST ECONOMY

SK160408 Jinan Shandong Provincial Service in Mandarin 2300 GMT 15 Sep 86

[Excerpts] Responsible comrades of the Shandong Provincial CPC Committee and government have taken the lead in conducting investigations and study to creatively implement a series of principles and policies of the central authorities on reform, opening to the outside, and invigorating the domestic economy, and to instill vitality into the rural economy.

During the Sixth 5-year Plan, Shandong Province witnessed great changes in its rural economy. The livelihood of the peasants was changing from one of just enough food and clothing to well-off. How to make further improvements during the Seventh 5-Year Plan period? In January this year, the provincial party committee and government led cadres at all levels in conducting investigqtions, exposing contradictions, and formulating measures. Liang Buting, secretary of the provincial party committee, devoted a period of more than 2 months to making informal and simple trips to some 40 grass-roots units in 11 prefectures and cities throughout the province to hold some 50 forums. Governor Li Changan held forums with crop farming experts in Linyi, Dongying and Taian to study ways to help the poor and to develop Shandong Province's rural economy. The party committees and governments at all levels as well as various departments and trades offered more than 1,000 reform suggestions and drafted nearly 100 reforms plans and reports on special topics. Through the provincial party committee and government's revision, selection, and summation, eight policy regulations for accelerating the development of township enterprises and vitalizing the rural commodity circulation were formulated. It is stressed in the regulations that all farm and sideline products that can be processed in the rural areas should not be delivered to the cities for processing, so as to raise social benefit and to increase peasants' income. The commercial, supply and marketing, foreign trade, grain, and banking departments should support the peasant-run farm and sideline processing enterprises in terms of technology, funds and equipment. All high-grade, precision and advanced products as well as the brand-name, special, quality and new products and export-oriented products turned out by the township enterprises should be respectively listed in the state guidance production plan. Materials for processing these products should be supplied to the enterprises in line with the materials distribution system in force. The 19 provincial-administered small port and wharves will be decentralized to their respective cities, prefectures and counties for unified administration. The major popular farm and sideline products producing areas and distributing centers should set up wholesale transaction markets for farm and sideline products and special markets for popular commodities. Products transaction markets should be set up near fishing ports. Wholesale transaction markets and material markets should also be set up in areas where township and town-run industries are comparatively developed.

The formulation and implementation of these policy regulations have greatly boosted the enthusiasm of the cadres at all levels in vitalizing the rural commodity production and circulation. The Jinan party committee and government have taken the initiative in helping township enterprises eliminate misgivings and solve 220 problems in a month. [passage omitted]

According to statistics, since the beginning of this year, Shandong Province has restored and developed more than 30,000 village-run enterprises. Village-run enterprises characterized by contract and cooperative opoeration as well as multilayered and multi-trade collective and individual operations are being developed in the rural areas of Shandong Province.

SHANGHAI DEVELOPS INTO SPACE INDUSTRY BASE

OW141307 Shanghai WEN HUI BAO in Chinese 10 Sep 86 p 1

[By reporter Qian Weihua and Zhang Debao]

[Text] Shanghai has the technical expertise and resources essential for the research and manufacture of rockets and satellites. Of the 18 satellites China has launched since liberation, Shanghai participated in designing, producing, and launching 9 of them. [paragraph continues]

This shows that Shanghai has become one of the bases for the research and production of tactical weapons and space technology in the country. This was disclosed by Su Shikun, director of the Shanghai Administration of Astronautics Industrry [SAAI].

The SAAI is a major force in China's astronautics industry. During the early 1970's the late Premier Zhou Enlai, acting on behalf of the CPC Central Committee, commissioned the SAAI with the mission of developing and launching a large earth satellite. Since then, the SAAI has successfully developed carried rockets and launched six satellites. It has also cooperated with Beijing in the development and manufacture of three satellites, making great contributions to the development of the nation's space technology.

In the process of developing space technology, the SAAI has trained a contingent of specialist who not only have good theoretical knowledge and practical experience, but also the will to overcome difficulties. Proficient in various technical fields, these specialists have filled in the gaps in many major fields of the nation's space technology. In addition to launching satellites with the carrier rockets it developed, Shanghai has also worked with fraternal units in using one rocket to launch three satellies, each with differenet functions, for pohysical exploration in space, making China one of the few countries in the world capable of launching several satellites with one rocket. The Long March III carrier rocket the SAAI developed has successfully launched the nation's first synchronous orbital experimental telecommunications satellite and a functional satellite for radio and television transmission.

The SAAI has established ties with over 300 units in Shanghai, including schools of higher education and research institutes. By cooperating with these units, the SAAI has set up a comprehensive network of space technology cooperation, specializing in microelectronics, infrared, automatic control, telecommunications, and sensing technologies. Su Shikun said that the SAAI is prepared to undertake the launching of commercial satellites for foreign firms in order to fully exploit its know-how in tactical weapons and space technology.

SHANGHAI EMPLOYS FOREIGN TRADE OFFICIALS

OW151118 Beijing XINHUA in English 0716 GMT 15 Sep 86

[Text] Beijing, September 15 (XINHUA) -- The city of Shanghai has begun employing its foreign trade experts to help manage enterprises with foreign investment, the "PEOPLE'S DAILY" reported today.

"It's the first time foreign trade officials are involved in management," the paper said. "It should improve the foreign exchange situation, with people experienced in foreign trade timely providing information about international markets." Normally, city foreign trade officials concentrate on buying local products and selling them overseas.

According to the paper, the foreign trade officials have helped the Ace Company -- a joint venture between the city and a Japanese firm -- sell more than 20 varieties of luggage abroad that once were unmarketable.

It siad 30 joint ventures in the city -- most of them manufacturers -- had hired foreign trade officials as executives.

HUBEI MEETING DISCUSSES RURAL PARTY RECTIFICATON

HK120255 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 11 Sep 86

[Excerpts] The provincial party committee held a provincial conference on rural party rectification from 5 to 10 September. The meeting analyzed the situation in the province's party rectification and made arrangements for carrying out rectification at village-level and consolidating and developing the fruits of rectification in the districts, townships, and units at and above county-level. [passage omitted]

On behalf of the provincial party committee, Guan Guangfu, secretary of the committee and head of its party rectification guidance group, delivered a report on party rectification. Qian Yunlu, deputy secretary of the provincial party committee and deputy head of the guidance group, and Liu Qizhi, member of the Standing Committee of the provincial party committee and director of the committee's Party Rectification Office, presided at the meeting. Analyzing the situation in the province's party rectification work, the meeting held that generally speaking this situation is good and great success has been achieved. However, it is also necessary to see that certain weak links and problems also exist in this work. We must attach importance to these problems and solve them. [passage omitted] The meeting made the following points regarding the importance of village-level rectification:

1. From the point of view of the status and role of the rural party branches, these branches represent the party's rural base and its fighting forces in rural reforms and the effort to build the two civilizaitons. They are the key linking the party with the peasant masses. A successful job in village-level party rectification will greatly stimulate a further turn for the better in party style in the rural areas and lead forward a turn for the better in social mood, lay a firm ideological and organizational basis for unswervingly implementing the party's rural policies since the 3d Plenary Session of the 11th CPC Central Committee and promoting all rural reforms, and prepare a reserve force for fulfilling the Seventh 5-Year Plan and achieving rural economic take-off and the goal of quadruplication.

2. From the point of view of the state of the rural party branches and party members, the great majority of the rural party branches and peasant party members in Hubei are good or relatively good. They have made major contributions in rural reforms and socialist modernization. However, we must also realize that the influence of the leftist thinking of the past and the force of habit and feudal remnants have not been eliminated. AT the same time, historical changes have taken place in rural production and exchange methods following the introduction of the contract responsibility system based on the household with payment linked to output, while many rural party organizations and their activity methods have not been correspondingly changed to meet these changes. As a reult of all this, there are still many problems in ideology, work style, discipline, and organization among the rural party branches and party members. These problems are out of step with the new situation and tasks facing us.

This state of affairs shows the urgency of making a success of village-level party rectification. This is the urgent requirement of strengthening the building of the grassroots rural party organizations and is also the urgent demand of the rural party members and masses.

3. Doing a good job in rural party rectification is also important for consolidating and developing the fruits of party rectification in the districts and townships and the units at and above county-level. [passage omitted]

The meeting held that in rural party rectification, it is essential to correctly view and handle certain rural reform issues that directly involve the masses' interests, are of universal concern to the masses, and have a strong sense of policy: 1) The rural areas must continue to implement the policy of allowing some areas and people to get rich ahead of others, and the policy of supporting specialized households. 2) It is necessary to support, guide, and ensure the healthy development of the township and town enterprises. 3) Problems of using one's powers to force down contract prices must be specifically analyzed. [passage omitted]

The meeting focused on studying the main problems to be resolved in village-level party rectification:

1. We must conduct deep-going education in the party's fundamental program and help the peasant party members to enhance awareness and strengthen their party spirit. [passage omitted]

2. We must further enhance people's understanding of rural reform, and ensure that the whole body of peasant party members understand that unless rural reforms proceed in depth and socialist commodity production is developed, and if the peasants are trapped in backward scales and narrow concepts of production, they cannot truly become rich, and the state's four modernizations will be unattainable.

3. We must enhance people's awareness of getting a good grasp of building spiritual civilization in the rural aareas. [passage omitted]

4. The focus in rural party rectification must be on resolving problems of serious abuse of power and violation of law and discipline among party-member cadres in the districts, townships, and villages. Party-member cadres involved in serious cases of this type who arouse great anger among the masses must be fully investigated and handled severely according to party discipline, to the point of being expelled from the party. The judicial departments must deal with cases that infringe the criminal law. We must certainly not allow such people to slip by during party rectification.

With regard to party-member cadres and other party members who have made ordinary mistakes or have ordinary problems, we should mainly focus on having them sum up experiences and lessons. It is good so long as they understand and correct their mistakes. We must encourage them to lay down their burdens and strive to make greater contributions in rural reform and economic development.

5. We must do a good job in building the leadership groups of the party branches and enhance their combat strength. [passage omitted]

The meeting pointed out: We must uphold high standards and strict demands and keep a firm grasp on the party policies. We must consistently implement the principle of solving the problems without causing confusion. We must insist on the principle of education by positive example throughout the entire course of rural party rectification. It is forbidden to hold struggle meetings or abuse people. We must treat correctly cadres who persevere in reform and work had but who have certain shortcomings and errors.

The meeting also pointed out: We must work hard to consolidate and develop the fruits of party rectification, with the focus on straightening out party style.

We must grasp the following tasks from the second half of this year to the first half of next:

1. Continue to carry out deep-going education in party spirit, style, and discipline, with the focus on straightening out party style. We must seriously consolidate and develop the fruits of party rectification in ideology, work style, discipline, and organization. Following this meeting, the province and the prefectures, counties, districts, and townships must carry out a serious review and get a good grasp of solving leftover and newly discovered problems. [passage omitted]

2. Get a good grasp of investigating people and dealing with major and important cases.

3. Straighten out the guiding ideas on work and correct the malpractices in various trades.

4. Continue to get a good grasp of investigating people of three categories.

5. Establish various party life systems and put them on a sound basis, and strengthen the party's regular building.

The meeting stressed that leadership over party rectification must be strengthened. Village-level rectification is led by the party branches. The party committees at all levels must select and dispatch rectification inspectors and publicity and liaison personnel to be stationed in the villages. In each village there should be one or two party-member cadres not engaged in production helping in party rectification and providing propaganda, assistance, guidance, and supervision.

The county and city party committees are to take all-round responsibility for village-level rectification. The county party committee secretaries must devote their main effort to grasping the work personally. Deputy secretaries who are in charge of rectification must make every effort to do this work well. [passage omitted] Prefectural party committee secretaries should devote a considerable effort to grasping party rectification, and a deputy secretary should be specifically assigned to take charge of it. The party rectification offices of the prefectural and county party committees can only be strengthened, not weakened. District and township party committees must establish party rectification offices and prepare a strong force to be responsible for dealing with routine work in village-level party rectification.

HUNAN'S MAO ZHIYONG EXTENDS GREETINGS TO TEACHERS

HK110905 Changsha Hunan Provincial Service in Mandarin 0900 GMT 10 Sep 86

[Excerpts] Today, responsible persons of the provincial party and government, including Mao Zhiyong, Xiong Qingquan, Liu Zheng, Chen Bangzhu, Wang Xiangtian, Dong Zhiwen, Xia Duanzhong, Shen Ruiping, She Xinshan, and Chen Yufa, went to various schools to visit teachers, students, staff members, and workers and to spend Teachers Day with them. Mao Zhiyong, Wang Xiangtian, Shi Xinshan, and their party went to the Hunan No 1 Teachers' Training School. [passage omitted]

Mao Zhiyong said: We cannot embark on the four modernizations without qualified personnel. He said: I hope that you will train more qualified personnel for us.

Later, they went to Hunan Girl's Professional University. [passage omitted] Mao Zhiyong said: I hope that like the women's volleyball team, you will work hard and score achievements.

Leading comrades, including Xiong Qingquan, deputy secretary of the provincial party committee and governor; Xia Duanzhong, member of the provincial party committee Standing Committee and director of the Propaganda Department; and Chen Yufa, member of the provincial Advisory Commission Standing Committee, went to Hunan Institute of Education to visit its canteen. Governor Xiong Qingquan found that this canteen was tidy and clean, had a great variety of food and low prices. Full of zest, he said: You have trained students who are the qualified personnel we need. It is necessary to provide good meals so as to train a large number of energetic qualified personnel. [passage omitted]

GUANGDONG GOVERNOR ON LABOR CONTRACT SYSTEM REFORM

HK100739 Guangzhou NANFANG RIBAO in Chinese 7 Sep 86 pp 1, 2

[Article by Guangdong Governor Ye Xuanping: "Necessary Reforms Should Be Conscientiously Conducted in Coordination With the Labor Contract System" -- reprinted from ZHONGGUO LAODONG RENSHI BAO [CHINA LABOR AND PERSONNEL NEWS] and slightly abridged by our editorial staff"]

[Text]

I.

To suit the needs of opening to the outside world and invigorating the domestic economy, Guangdong Province has tried out the labor contract system since 1980. It was first tried out in the Shenzhen Special Economic Zone. In 1983, the provincial government decided to introduce it in an all-round way among the newly recruited workers throughout the province. After a process of development from the special zone to the interior, from the Chinese-foreign joint ventures, cooperative enterprises, and foreign-owned enterprises to the state enterprises, and from the state enterprises to collective ones, the ranks of contract workers are growing gradually. In March 1983, there were only 4,000 contract workers throughout the province; by last June, the number had swelled to 376,500. Of these, the state enterprises employed 300,600 workers, the collective enterprises at and above the county levels employed 52,600 workers, and the cooperative enterprises and foreign-owned enterprises employed 23,300 workers. The reform practice of the labor contract system proves that the labor contract system, a new employment system of great vitality, is well received by the enterprises and their workers and staff members.

II.

The smooth practice and consolidation of the labor contract system in our province is attributed to the following facts: The party committees and governments at all levels attach great importance to, and strengthen leadership over, it; all the relevant departments vigorously work in close coordination with one another; and, more importantly, we have conscientiously conducted the necessary reforms and properly solved questions relating to the immediate interests of the workers and the interests of the enterprises. Here are our principal practices and impressions:

1. We should establish a social labor insurance system for contract workers in order to relieve them of their worries about the future. In practicing the labor contract system, people are most concerned about medical treatment and their circumstances in old age following the abolition of the "iron rice bowls" and their livelihood after the contract is terminated.

In order to relieve the contract workers of their worries and to stimulate smooth progress in the reform of the employment system, the provincial government and the governments at the city and prefectural levels have issued documents calling for the establishment of a social labor insurance system in the course of introducing the contract system. All cities, prefectures, and counties in our province have set up social labor insurance companies and provided them with professional mangerial personnel. They have also stipulated the source of, and the method of, drawing social labor insurance funds for contract workers. After paying the insurance premiums according to stipulations, contract workers may enjoy labor insurance treatments, such as extra allowance for living expenses when they are out of work, as well as pensions, medical allowances, funeral expenses, and pensions for the disabled or for the family of the deceased after they retire or quit working. In order to suit the special features of the contract workers, who can be fired or hired and can exchange work rationally, the provincial authorities have also worked out methods of transferring social labor insurance funds. It is stipulated that, when the contract workers move from one unit to another, their insurance funds may also be transferred, with the number of years insured added up together.

2. We should adopt a wage policy based on distribution according to work and issue wage-like subsidies. The wages of contract workers should be paid in line with the principle of distribution according to work; the method of linking remuneration with the work performance of individual workers and the economic results of the enterprises should be applied in line with the principle of combining responsibility, authority, and benefit. In the probationary period, contract workers are usually paid according to the lowest grade of the standard wages of workers doing the same type of work in the same unit. If they pass the test after the probationary period is over, their wage scales are usually fixed at grade 2. Contract workers who take up the same work again after some time can be paid according to their original wage scales. However, if they take up different work, they should be paid one grade lower than their original wage scales in the probationary period and given new wage scales after the probationary period is over. Because the practice of the "iron rice bowl" is not adopted among contract workers, their insurance, welfare, and treatments are not, in certain respects, completely borne by the state as in the case of permanent workers. Therefore, it is necessary to use the method of issuing wage-like subsidies to make up for the difference in wages between contract and permament workers. However, their bonuses, subsidies, health food, labor protection articles, and ration and price subsidies are the same as those of permanent workers doing the same type of work in the enteprises. Many contract workers said that since the enterprises treat them equally as permanent workers both politically and in welfare and carry out the principles of combining responsibility, authority, and benefit and of more pay for more work, they are ready to work as contract workers all their lives.

We should adopt a method of transferring contract workers from one are to another in order to stimulate the rational flow. With the gradual implementation of the labor contract system, some contract workers have to move from one city or county to another because of the need of production, work, or policy requirements, such as supporting key construction projects, transferring special technical workers, reuniting husband and wife living in different places, and moving work units. To rationally solve these problems and to facilitate the implementation of the labor contract system, on the basis of summing up the experience gained in Shaoguan city, the provincial Labor Bureau formulated in August last year the "Guangdong Provincial Regulations on the Flow of Contract Workers." It is stipulated that contract workers who, with justifiable reasons, ask to go to work in other places or to come to work in our cities and counties will, with the approval of the relevant labor and adminstrative departments and the units employing them, be allowed to go through the formalities of moving (not transferring) from one place to another. They may terminate the labor contracts with the original units and sign new ones with the new units and their credentials should also be moved to the new labor service companies, social labor insurance companies, and other departments. The public security and grain departments will handle their residence registration and grain rations after receiving notices from the local labor and administration departments. In this way, we not only satisfy the rational demands of contract workers and stimulate the rational flow of workers and staff workers but also strengthen people's confidence in the labor contract system.

4. We should improve the management institutions and systems and gradually raise the level of management. It is explicitly stipulated in all parts of the province that the labor service company under the labor and administration department is responsible for the recruitment and employment of contract workers and for the management of contract workers before and after they are employed. It is also stipulated that the social labor insurance company is responsible for the social labor disputes between both parties to the contract, the provincial government has also decided that labor dispute arbitration institutions should be set up by the labor and administrative departments in various cities, prefectures, and counties. Meanwhile, all cities and counties in the province also administer contract workers through the "three manuals and one card" system. The "three manuals and one card" refers to the labor manual, the manual for taking out an insurance policy, the mannual in which the unit employing contract workers registers the total number of workers, their wage scales, and the changes in the total wage among, and the social insurance card. They can serve as bases and records when contract workers sign or terminate labor contracts with the units employing them and when they enjoy various labor insurance treatments. In the course of introducing the labor contract system in our province, some problems have occurred: On the one hand, units employing contract workers are afraid that the workers will quit as soon as they have acquired the skills, thus affecting production and work; on the one hand, contract workers are afraid that they will be dismissed after working for some time, thus making life insecure. For this reason, it is stipulated in various localities that, in order to remove this misgiving, short-term contracts lasting 10 years and more may be signed according to the merits of each case. To ensure that both parties fulfill the contracts, some cities and prefectures also stipulate that after the labor contracts are signed, they should be submitted to the labor service company under the local labor and administrative department for the record. Moreover, they also explicitly stipulate the conditions under which enterprises may dismiss workers and under which workers may resign, as well as the responsibilities one should undertake for violating the contract, thus ensuring the legitimate rights and interests of both parties.

III.

Our practice in the reform of the employment system over the past 6 years shows that the labor contract system is a new employment system suited to the development of socialized mass production and the planned socialist commodity economy. It represents a correct orientation of the reform of China's employment system. Although the labor contract system has not been implemented in our province for a long time, it has initially manifested its strong points.

1. It facilitates mutual choice between enterprises and laborers under certain conditions and stimulates the rational use and flow of the labor force. After the introduction of the labor contract system, enterprises may choose a suitable number and quality of laborers according to the need of production, and the laborers also have the right to choose work posts most suitable to their inclinations and special skills. Since workers and staff members can be hired or discharged, we can rectify the defect of various practices such as "unit ownership" of laborers and the practice of "determining one's lifelong career through one recruitment process." This new employment system can also bring about a rational combination of laborers and the means of production, invigorate enterprises, and improve their economic results.

The practice of some state enterprises with better economic results, particularly the enterprises in the special economic zones and the Chinese-foreign joint ventures, cooperative enterprises, and foreign-owned enterprises, shows: In their labor management, enterprises that have been invigorated through the introduction of the labor contract system can hire the necessary workers and dismiss the unnecessary ones; they can establish a relatively stable relationship with the workers and staff members by signing or renewing contracts and stimulate the rational flow of the labor force by terminating contracts, thus dialectically combining the stability and mobility of the labor force. Many plant directors said: The labor contract system has invigorated or revitalized our enterprises. We should carry it out unswervingly so that it can be constantly improved. Most contract workers and jobless youths also support the system. According to a recent survey among 300-odd contract workers and jobless youths in Guangzhou, some 90 percent of the people approve of the reform of the labor system. They said: "The labor contract system enables young people to choose jobs and thus ensures that they can apply what they have learned." Some contract workers also said: "The introduction of the labor contract system enables laborers and enterprises to condition each other and reflects the combination of responsibility, authority, and benefit."

2. It helps mobilize the initiative of workers and staff members for labor and heightens their sense of responsibility as masters. In Qingyuan's Jingkou cement plant, a new state enterprise, contract workers account for 70 percent of the total number of workers and staff members. By closely linking their immediate interests to the economic results of the enterprise and bringing into play their role as masters of the enerprise, they have made contribution to the vigorous development of the enterprise. After going into operation, the plant failed for a time to boost the sale of its products because the consumers were not sure about its produce quality. The contract workers were very much concerned about this. By offering advice and trying by every means to improve product quality they finally succeeded in finding a good market for their products. A number of production activists have emerged among the plant's contract workers, 84 of whom have become key members in the plant, work shops, teams, and groups.

3. It helps impel workers and staff members to acquire elementary education and to learn vocational work and technology and increase the professional competence of workers and staff members. It is stipulated in the labor contract system that, when recruiting workers, it is necessary to publicly assess their proficiency and to employ the superior ones and that, after recruitment, they should go through a probationary period of 3-6 months. During the probationary period, if the contract workers do not suit the need of production or work, the labor contracts may be terminated. After the probationary period is over, the wage scales of the workers should also be fixed through assessment. It is also stipulated that the wage scales of contract workers who take up jobs again after some time should be fixed again through assessment if their types of work or special lines are different. These stipulations have played a positive role in impelling most contract workers to study diligently, to perfect their skills, and to constantly raise their technical levels. For example, of the 3,000 contract workers in Guangzhou's China Grand Hotel, more than 1,500 are studying during their spare time or by correspondence in various types of schools; most of them have become skilled workers and several hundred have played a backbone role in professional work. In the past, some positions were taken up by senior staff members recruited from Hong Kong; now they are taken up by staff members from the mainland, who are doing very well in their work.

In an effort to carry out the labor contract system more satisfactorily and to constantly consolidate and improve it, on the basis of conscientiously summing up the experiences gained in the reform practice, our province is making further efforts to study and improve the relevant rules and regulations of the labor contract system.

SICHUAN'S YANG RUDAI ATTENDS JOURNALISM MEETING

HK130617 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 12 Sep 86

[Excerpts] Renovate the concept of journalism, carry out deepgoing reforms in journalism, and bring into full play the role of journalism in building the two civilizations: This was the central topic of the Sichuan journalism work conference, which concluded on 12 September. [passage omitted]

Yang Rudai, secretary of the provincial party committee, and Xu Chuan, member of the committee's Standing Committee and director of the Propaganda Department, spoke at the meeting. Comrade Yang Rudai expressed the hope that journalists will actively clear the way for reforms and opening up and sweep aside ideological obstacles to developing socialist commodity economy. [passage omitted]

The meeting held: We must change the one-sided and narrow understanding of guidance for journalism, and change simple guidance for work into guidance for both work and daily life and clarification in ideology. In propaganda and news reports, we must be vigilant against only paying attention to directives from above and neglecting to reflect the masses' cries and demands, and also the customary work method of looking for a basis and a precedent. We must establish the idea of seeking the truth from facts and serving the broad masses.

We must break down the concept that a party newspaper is not a proper place for contending and blooming, use the press to unfold contending and blooming, and strive to create an environment and atmosphere of unity, concord, democracy, equality, and consultation, so as to bring into full play the six roles of the media in publishing news, propagating ideology, imparting knowledge, providing entertainment, exchanging views, and pushing the sales of commodities.

The meeting demanded that, in accordance with the regulations of the provincial party committee document, the departments concerned take stock of and straighten out press units where management is chaotic and there are many problems.

SICHUAN'S CHONGQING INDUSTRIES SELL SHARES

OW151138 Beijing XINHUA in English 1034 GMT 15 Sep 86

[Text] Chongqing, September 15 (XINHUA) -- The city government of Chongqing, the largest city in northwest China, is testing whether it is possible to raise capital for factories by issuing shares. According to a city rural industry office official, 17,000 rural enterprises or 11 percent of the city's total have been set up through stock sales, which will be encouraged elsewhere if they prove to be successful.

Anyone can buy shares in the companies when they are offered, but at present, the shares cannot be traded. "Selling shares allows enterprises to raise money for technical renovation to become more efficient and up-to-date," he said.

One paperboard factory in Beipei on Chongqing's outskirts has been able to double its output and increase its annual net profit by 669,000 yuan (abut 181,000 U.S. dollars) in two years by investing stockholders' capital in new production lines.

In the case of enterprises where shares are owned mainly by state or collectively-owned units, major stockholders can become members of the boards of directors, which select managers and set policy. As regards factories whose shares are owned exclusively by individual families, these are run on a cooperative basis without boards of directors, and major issues are solved through "democratic consultations", the official said. In both cases, he said, dividends fluctuate depending on economic performance.

SICHUAN CITIES REPORTED FORMING CAPITAL MARKETS

HK130615 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 12 Sep 86

[Text] According to SICHUAN RIBAO, the financial system in Chengdu City is actively setting up a capital market in a measured way, thereby raising and making available large amounts of capital. In order to change the capital regulatory setup and develop bank credit, the city people's bank and the specialized banks have establshed deposit and loan relations. The specialized banks have also raised capital for loans of all types by means of issuing bonds.

In July, the Chengdu City Industrial and Commercial Bank established a lateral financial facilities network with similar banks in nine prefectures and cities including Zigong and Dukou, thereby borrowing large amounts of capital at discount from outside the city. Discount borrowing is also flourishing between rural credit cooperatives and between the business departments of county joint cooperatives.

A Chengdu City discount bill acceptance market has also been set up. At present six units in the city have issued shares or bonds. Financial organs outside the banking system are being gradually established. Thanks to the gradual formation of the capital market, the capital shortage in the city's industry at the beginning of the year is gradually easing.

Chongqing City is actively setting up a capital market, including a discount borrowing market, a discount bill market, and a stock market. A new situation of adopting various means to mop up idle capital has formed. In the first half of the year, Chongqing City launched discount borrowing with other provinces and cities, borrowing at discount a large amount of capital from banks in Beijing and elsewere. The specialized banks in Chongqing have taken advantage of the differences in time, space, and season in capital interest maturity to engage in discount borrowing between themselves.

SICHUAN RIBAO ON RURAL COMMODITY ECONOMY

HK110507 Chengdu SICHUAN RIBAO in Chinese 25 Aug 86 p 1

[Article by contributing commentator: "Rural Party Members Should Take the Lead in Developing the Commodity Economy and Getting Rich Through Hard Work -- On the Guiding Thought for Rural Party Building During the New Period"]

[Text] The one and only aim of the Communist Party of China is to wholeheartedly serve the people. Its loftiest ideal is the realization of communism. This will never change in the guiding thought for party building. But a different historical period should partake of different specific contents.

What then are the specific contents in the guiding thought for rural party building in the new period? This calls for serious study of what is now in the minds of peasants and what kind of guidance and services they want the party organization to provide.

Hosts of facts show that now and for a fairly long period of time to come, what is in the minds of the broad masses of peasants is often inseperable from the word "wealth." This means wealth of the people and thus prosperity and power of the state. How can we get rich as quickly as possible? This calls on us to help peasants in following the path to the commodity economy and getting rich through hard work, instead of adhering to the path of small production and the natural economy. Only the former is the concrete embodiment and the most effective way of our serving the people in the new period.

The development of a socialist commodity economy is an important part of our effort to build socialism with Chinese features and is a road to communism that must be taken. Only with the full development of the socialist commodity economy can we achieve the great development of social productivity in a relatively quick and satisfactory way and obtain an extremely great abundance of social material wealth, thus creating material conditions for the realization of the aim, "from each according to his ability, to each according to his work."

The peasants have acquired some idea of the socialist commodity economy in practice. They have realized that if the fruits of their labor are just enough to satisfy their consumption needs. Then only the problems of being fed and clad can be solved. If they can sell more commodities on the market, they can have more income and thus get rich relatively quickly. The specialized household operators who have emerged in the countryside are typical figures who have gotten rich through the development of the commodity economy. For example, they have produced a great effect on the broad masses of peasants. Now, the achievement of common prosperity through the development of the socialist commodity economy has actually become the urgent demand of the broad masses of peasants, the cry of the era, and an irresistible historical trend.

In such a new historical period, the broad masses of rural party members should take the lead in developing the commodity economy and in guiding the masses to wealth through hard work -- giving full play to their vanguard exemplary role in this respect. By so doing, the rural party members will inevitably become models imitated by the broad masses of peasants. By so doing, rural party branches will assert their role well as militant bastions on the new march toward the development of the commodity economy and the achievement of prosperity through hard work and become a hardcore force in unifying and leading the masses in a struggle for the realization of the main tasks and goals of the new period. On the other hand, if what the peasants want is to follow the road to the commodity economy and get rich through hard work while our rural party branches and party members still treat the beginning of the development of the commodity economy as spontaneous capitalist trends, then not only will we be unable to lead the masses in developing the socialist commodity economy to realize the goal of common prosperity but we will be hindering progress on the way to wealth acquired through hard work. Therefore, to strengthen rural party branch building and the ideological building of party members involves a problem of straightening out guiding thoughts. It is suggested that in the rural party rectification in the second half of this year, we should keep a tight grip on this problem without letting go -- subjecting every party branch and every party member to serious education with the object of overcoming the concept of small production and the natural economy and strengthening the concept of the commodity economy. On the road to our goal of taking the lead in getting rich through hard work and guiding the masses in achieving common prosperity, we must give full play to the vanguard exemplary role of party members and the militant role of party branches.

Given our country's several thousand years of feudal society, an especially deep influence has been left on the countryside. For a great number of years, the concept of small production and the natural economy remained the fundamental concept in the countryside. This left a very deep influence on our rural party members and cadres. Such a concept long hindered the development of the commodity economy. This has up to now remained a great obstacle to the emancipation of thinking. On the other hand, our traditional theory or viewpoint holds that the socialist economy is not the commodity economy. This had also produced a very deep effect on our thinking. Therefore, for a relatively long period of time after the founding of the PRC, despite the continuous appearance of beginnings and trends of the natural economy transforming into the commodity economy, we often treated them as spontaneous capitalist trends and repeatedly criticized them without allowing the transformation of the natural economy in the direction of the commodity economy.

Now, our party has achieved a great theoretical breakthrough as far as this problem is concerned. Various reform measures and economic policies are conducive to the development of the commodity economy, and help peasants get rich through hard work. Therefore, this has won wholehearted support from the peasants. But there is still a problem of lingering fears among the peasants. They fear that policy may change and that they may not be allowed to get involved with the commodity economy and get rich through hard work. Under these circumstances, there is all the greater need for rural party members to take the lead in developing the commodity economy and be the vanguards in the large army of those who get rich through hard work. On such a new expedition, there is especially the need for rural party branches to play the role of militant bastions.

Of course, in handling the commodity economy, Communist Party members must make a point of drawing a clear line of distinction where some fundamental polices are concerned. For example, a clear line of distinction must be drawn between the socialist commodity economy and the capitalist commodity economy. It must be made clear that the development of a planned commodity economy is aimed at continuously satisfying the ever growing needs of people's material and cultural life. It is not a case of serving our own ends at the expense of others. Still less is it a case of getting what we want by hook or by crook. We must also draw a line of distinction between the development of the commodity economy and the matter of "putting money first" and "putting personal interests first." It must be made clear that in carrying out commodity economy-related activities, Communist Party members be not only mindful of economic results but also pay attention to social benefits. They cannot be concerned with only individual income and disregard party members' morality.

XIZANG'S WU JINGHUA ANALYZES REGION'S SITUATION

HK121416 Lhasa Xizang Regional Service in Mandarin 1130 GMT 11 Sep 86

[Text] On the morning of 11 September, the regional party committee held a meeting of cadres from the new and old leading groups of all prefectures and cities, and cadres at and above prefectural level in regional organs. The participants listened to an important speech by regional party committee Secretary Wu Jinghua on several problems in the region's work. Comrade Wu Jinghua stressed that the party has assigned us, cadres at all levels, to work in Xizang, a land of 1.2 million square meters. We must rely on the CPC Central Committee and serve the people, always remember the great expectations the CPC Central Committee and the two million Xizang people have of us, work conscientiously, and develop the party's cause in a down-to-earth manner. He expressed the hope that comrades of the new leading groups: Adhere to seeking truth from facts; love and serve the people; have courage and insight; blaze new trails; and create a new situation in all prefectures and cities.

In his speech Comrade Wu Jinghua first analyzed the region's current situation and tasks. He said: Xizang has a huge superstructure and a weak economic foundation. The two are unsuited to each other. This is a prominent contradiction in Xizang's dvelopment. The huge superstructure must be simplified and the weak economic foundation must be strengthened. We must lay a good foundation. With a weak foundation, it is impossible to make rapid development. This is an important experience gained by the country and advanced provinces and regions over the past few years in their economic take-off.

Comrade Wu Jinghua pointed out that in the 30-odd years since the peaceful liberation of Xizang, the region has achieved great results in all fields and laid a foundation. However, due to the influence of leftist ideas and the long-standing economic structure involving the supply system and the practice of eating from the same big pot, much of our work has been divorced from Xizang's reality, causing a serious sequelae to our society. Cadres have paid more attention to eradicating the influence of leftist ideas, but strenuous efforts need to be made in order to truly correct our ideological line. Although we began to realize the economic structure of egalitarianism and eating from the same big pot, we have not yet thorougly reformed the structure. We must have a clear understanding about this. We must do solid basic work to usher in the rapid development of economic and cultural construction in Xizang. Then Comrade Wu Jinghua expounded on several important issues presently in the region.

On reform of the political structure and the replacement of old cadres by new ones, Comrade Wu Jinghua said that resolutely carrying out reform of the economic and political structure and strengthening the building of spiritual civilization focusing on economic construction, is the general planning for China's socialist modernization. We must think about and arrange Xizang's work in accordance with the general planning for the whole country and party. What is gratifying to us is that we have moved ahead of other provinces and regions in reform of the political structure and have been fully affirmed by the CPC Central Committee. After the regional plan for structural reform has been formulated, we will immediately study the problem of strengthening the building of grass-roots political power. This is an important link in our basic work as a whole, as well as one of the urgent tasks confronting members of new leading groups of all prefectures and cities.

On ideological and theoretical construction, Comrade Wu Jinghua said that seeking truth from facts and doing everything in accordance with reality are the aims that we have stressed repeatedly for correcting our ideological line. There are problems at two levels. First, can we have a correct understanding of the reality in our own departments and areas? Second, If we have a correct understanding or have a correct understanding on the whole, dare we formulate and implement policies according to the reality? We must seriously sum up previous experiences and draw lessons from the past, when we dared not and did not know how to do everything in accordance with Xizang's reality, and truly correct our ideological line.

On the problem of religion, Comrade Wu Jinghua stressed that the patriotic personages in religious circles and religious believers have acted in unison with us on the essential issues of safeguarding the unification of the motherland, developing Xizang's economy, and building the socialist motherland. Therefore, those who profess a religion and those who do not not profess a religion, those who believe in Marxism and those who do not believe in Marxism, must unite with each other and form mighty contingents to jointly build a united, rich, and civilized new Xizang. On the problem of religion, we must not only oppose leftism, but also avoid rightism. We should neither try to do things which can only be done in the remote future, nor should we ignore religion and let it develop spontaneously without paying attention to it.

Comrade Dangzin, deputy secretary of the regional party committee, also spoke at the meeting. He demanded that leading comrades of all regional departments, bureaus, offices, and commissions stand fast at their posts. Regardless of their future assignments, they must, with a strong sense of political responsibility and in a serious and responsible spirit, strengthen political and ideological work and carry out all work in a down-to-earth manner.

PU CHAOZHU SPEAKS AT YUNNAN WORK CONFERENCE

HK121432 Kunming Yunnan Provincial Service in Mandarin 1000 GMT 11 Sep 86

[Text] The Yunnan Provincial CPC Committee's work conference opened in Kunming today. This conference will mainly discuss the guiding ideology and overall arrangements for provincial rural work this winter and next spring, and stress the study of and arrangements for party rectification work in rural areas throughout the province.

A plenary meeting was held this morning, which was presided over by He Zhiqiang, deputy secretary of the provincial party committee and addressed by Pu Chaozhu, secretary of the provincial party committee. He talked about five aspects of work: 1) The guiding ideology for rural work this winter and next spring; 2) doing rural party rectification properly; 3) penetratingly carrying out reform, developing the commodity economy, and raising the work of increasing incomes and becoming rich to a new plane; 4) strengthening the building of spiritual civilization, doing well in establishing professional ethics, and correcting the unhealthy trends in trades; 5) and strengthening leadership.

Pu Chaozhu put forward: The guiding ideology in rural work this coming winter and spring is to regard party rectification as the motivating force and the development of the rural economy as the center; to strengthen the building of spiritual civilization; to do well in establishing professional ethics; to make rural party rectification -- the main line -- run through all aspects of work and all tasks so as to melt them into one body and promote each other; to create a new situation in building two civilizations; to do all aspects of work better than this year; and to score greater achievements. He demanded that the conference must conduct discussions centered on this main subject.

Attending this provincial party committee's work conference are secretaries of all prefectural, autonomous prefectural, city and county party committees and city Discipline Inspection Commissions; secretaries of CYL Committees; directors of Party Rectification Offices; Principal responsible persons of all departments and commissions of the provincial party committee and the party committees and party groups of all commissions, offices, and bureaus of state organs at the provincial level. Leading comrades of the provincial party committee Standing Committee, provincial Advisory Commission, and provincial Discipline Inspection Commission; and party member leading comrades of the provincial People's Congress, provincial government, and provincial CPPCC Committee are also attending the conference. Responsible comrades from the general office of the Central Commission for Guiding Party Rectification are also attending the conference. Responsible persons of all departments, commissions, offices, and persons of all people's organizations; and some retired veteran party member cadres attended today's conference.

NINGXIA CONGRESS STANDING COMMITTEE CLOSES

HK150253 Yingchuan NINGXIA RIBAO in Chinese 29 Aug 86 p 1

[Report: "18th Session of 5th Ningxia Regional Congress Standing Committe Concludes"]

[Text] Having gone through all items of the agenda, the 19th meeting of the 5th regional People's Congress Standing Committee closed in Yingchuan on the afternoon of 28 August.

Ma Qingnian, chairman of the regional People's Congress Standing Committee, presided over the plenary session held on the afternoon of 28 August. Present at the session were vice chairman of the regional People's Congress Standing Committee Ma Youde, Ding Yimin, Guo Wenju, Liang Feibiao, and Feng Mao.

The session adopted the "Interim Regulations on Planned Parenthood for Ningxia Hui Autonomous Region," the "Regulations on Administration of Food Hygiene for County Fair Trade of Ningxia Hui Autonomous Region," the Resolution of the regional People's Congress Standing Committee on Strengthening the Auditing Work, and some personnel appointments and removals.

Ma Youde, vice chairman of the regional People's Congress Standing Committee addressed the meeting before it closed. Talking about the economic, financial, and auditing work, he emphatically pointed out: Listening to, examining, and approving economic plans, as well as reports on the implementation of the budget, is an important part of the functions of the People's Congress Standing Committee in supervising the operation of the government that is stipulated by the law. The people's governments and their subordinate departments concerned at all levels must enhance their sense of legal system, act according to law, and strictly implement the 1986 plan for economic and social development and the 1986 budget approved by the People's Congress. When a government at a certain level needs to effect any substantial change or readjustment of the plan and the budget, it is required to report to the People's Congress Standing Committee at the same level, so as to give full play to the supervisory role of the organ of state power.

Present at the meeting as observers were regional government vice chairmen Ma Yingliang and Ma Tengai; the responsible persons of the regional Higher People's Court and People's Procuratorate; the responsible people of all the committees and offices under the regional People's Congress Standing Committee, all the departments concerned of the regional people's government, and the Standing Committees of all the city and county People's Congresses; and the comrades who are in charge of liaison with the People's Congress from Yinnan and Guyuan Prefectures.

EX-SHAANXI PARTY SECRETARY ARRESTED FOR CORRUPTION

OW150840 Beijing XINHUA in English 0734 GMT 15 Sep 86

[Text] Beijing, September 15 (XINHUA) -- Li Jiyin, a former deputy to the National People's Congress and party secretary of a Shaanxi province village, has been arrested for torturing local residents. He has also been expelled from the party and, in accordance with China's Law of Electoral Procedures, from the National People's Congress. According to a recent central party Discipline Inspection Commission circular, Li, 47, was also charged with earning 18,000 yuan (4,860 U.S. dollars) from illegal transactions involving three jeeps.

Secretary of the party branch committee in Hengshan Village, Dingxiang County, Li, as a farmer, had won recognition as a national model worker.

Li has been charged with illegally detaining 72 villagers in 1984, whom he suspected might have been invoved in the theft of a peace of his bicycle bell. He ordered 17 of them tortured and forced 28 to pay fines totaling 1,100 yuan (297 dollars) to cover the cost of the guards during their imprisonment, which in some cases lasted as long as eight days.

"Li has committed severe crimes, seriously undermining the relationship between the party and the people," the circular said. "As a party member and National People's Congress deputy, he should have been a model to others by upholding the law and educating people about it."

The case shows it is "urgent that all party members and government officials act lawfully," said the circular. "Some of the corrupt actions and working methods within the party smack of feudalism, with people lording their powers over others." The circular called on party members "to study the law and follow it conscientiously" and warned officials they would be punished for retaliating against anyone who reports corruption. "Before the law, everyone is equal," it said.

SHAANXI LEADER ON VILLAGE PARTY RECTIFICATION

HK150249 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 15 Sep 86

[Excerpts] Shaanxi is about to launch village-level party rectification throughout the province. At a party rectification work conference convened by the provincial party committee, which opened yesterday, Li Xipu, head of the committee's group for guiding party rectification, made an important speech on doing a good job in vilage-level party rectification. Calling on party organizations at all levels to strengthen leadership over this work, he said: Village-level party rectification is the main task in the rural areas in the coming winter. The party committees at all levels, especially the county committees, must do their work in a creative way and truly get a thoroughly good grasp of village-level rectification.

He pointed out that there are four main tasks in village-level party rectification: 1) Seriously conduct education in party spirit and strive to enhance the party members' understanding of the party's fundamental program and their spontaneity in leading the peasant masses to extricate themselves from poverty and get rich. 2) Conduct deep-going education in reform and in developing commodity economy and further enhance the party members' understanding of the party's rural principles and policies. 3) Seriously investigate and study serious abuses of power and violations of law and discipline by party-member cadrese, and deal seriously with a very small number of party members who have made serious mistakes. 4) Do a good job in building the leadership groups of the village party branches and change the soft, loose, and paralyzed situation of some of them.

The focus in these four tasks is on resolving serious abuses of power and violation of law and discipline by village-level party-member cadres. Li Xipu stressed: All localities should proceed from their actual conditions and decide in a truth-seeking way on the focal points in village-level party rectification. [passage omitted]

In the course of village-level party rectification, it is necessary to do a good job in party recruitment work, and bring into the party a number of young people of a certain educational standard. [passage omitted]

HONG KONG

XINHUA OFFICIAL CLARIFIES REMARKS ON ELECTIONS

HK130510 Hong Kong SOUTH CHINA MORNING POST in English 13 Sep 86 p 1

[By Matthew Leung]

[Text] China's chief representative in Hong Kong said yesterday China will support direct elections after 1997, not in two years' time as previously reported.

Mr Xu Jiatun, director of the Hong Kong branch of the NEW CHINA NEWS AGENCY, said he was misunderstood by reporters on Thursday.

The SOUTH CHINA MORNING POST and several other newspapers yesterday quoted Mr Xu as having said China would not be against direct elections in Hong Kong by 1988.

But yesterday, speaking after an opening ceremony of the first-ever nuclear technology exhibition in Hong Kong in Tsim Sha Tsui, Mr Xu said:

"This is not what I meant." He said a reporter asked him to comment on reports that Britain planned to introduce direct elections by 1988.

"I said it is a matter for British Government. We have no comment to make.

"When asked on China's attitude to direct elections, I said it is what the future Basic Law has to tackle. Basic Law drafters are now considering whether we should have direct elections after 1997.

"I said if Hong Kong people share a consensus that direct elections to the legislature should be introduced, China will consider it.

"But what I meant is after 1997."

On the Daya Bay nuclear project, Mr Xu does not accept there is a crisis of confidence in the territory.

"I would say there is a general lack of understanding on the project which led to some anxiety," he said.

This attitude is understandable, he said, but he believes it would gradually disappear if people had more understanding of the project.

Mr Xu said the Legislative Council delegation to Beijing next week would not participate in the contract signing ceremony for the Daya Bay project, which is scheduled in 10 days' time.

He said China had not invited them to participate.

Meanwhile, China is understood to be actively considering setting up a monitoring group comprising Hong Kong residents.

The current thinking is to establish a "Shenzhen-Hong Kong Consultative Committee" which would be made up of representatives from the two sides of the border.

XINHUA OFFICE 'KILLS' ITEM ON NUCLEAR CONTRACT

HK151305 Beijing XINHUA Hong Kong Service in Chinese 1159 GMT 15 Sep 86

[Beijing XINHUA Hong Kong Service in Chinese at 1205 GMT on 15 September transmits a service message from the chief editor of XINHUA's Hong Kong Branch to the attention of "Various Hong Kong Newspapers" killing the following item; no reason was given]

[Text] Hong Kong, 15 Sep (XINHUA) -- On 15 September, at the office of the Guangdong Nuclear Power Joint Venture Corporation in Shenzhen, the Guangdong Nuclear Power Joint Venture Corporation, the Guangdong Power Supply Engineering Company [guang dong dian li gong cheng zong gong si -- 1639 2639 7193 0500 1562 4453 4920 0361 0674], the Guangdong Nuclear Power Investment Company Limited [guang dong he dian tou zi you xian gong si -- 1639 2639 2702 7193 2121 6327 2589 7098 0361 0674], the Hong Kong Nuclear Power Investment Company Limited [xiang gang he dian tou zi you xian gong si -- 7449 3263 2702 7193 2121 6327 2589 7098 0361 0674], and China Light and Power signed a contract for connecting nuclear power supply and transformation networks. Representatives of these companies were present at the signing ceremony.

This contract specifies the design of the joint-network systems and the signatories' operational responsibilities, and it was signed as a requirement of the joint-operation contract signed in early 1985.

BOTHA NOTES S. AFRICA'S GAINS FROM SANCTIONS

HK130408 Hong Kong HONGKONG STANDARD in English 13 Sep 86 p 2

[Text] Defiantly stating that South Africa has "gained a lot" as a result of economic sanctions imposed in the United States and Europe, Foreign Minister Roelof (Pik) Botha said yesterday that his country is now looking to the Far East for new markets.

Speaking at a news conference following his lunch for 150 local businessmen, Mr Botha said the gains came from doubling trade with other African countries, increasing internal trade and opening new markets.

"My government has decided that we must make an effort to diversify trade. It is a fact that countries in the Far East are becoming very prosperous," Mr Botha said. The Foreign Minister came to Hong Kong on Thursday from Taipei, where it is believed he also discussed trade issues.

Asked if his Asian trip was in response to closing markets in Europe and America, Mr Botha asked: "Why should we buy from Europe and America if we can buy from countries in the Far East the same products which may even be of a higher quality?" He denied that his trip could be construed as "an admission of defeat."

At present, according to Hong Kong Government figures, the trade balance is in South Africa's favour. In 1985 Hong Kong imported $2.3 billion worth of goods from South Africa but exported only $730 million worth of manufactured products.

Mr Botha said that South Africa is a trading nation and thus would "trade with the Soviet Union and with Beijing." Mr Botha added: "We do not believe that ideological differences ought to interfere with trade."

He said that as "Hong Kong's welfare and economy is based on free competition and on the liberation of trade as far as possible" the territory should not participate in a sanctions movement.

The Foreign Minister refused to give any specifics about the talks held during his Asian visit.

He also said that he had no details about a Chinese girl in South Africa who reportedlly was denied access to school recently.

Asked about the general condition of the Chinese community in South Africa, Mr Botha said it "is a fine and respected community." He added, "they have contributed in a magnificent way" to the economy.